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Social Security Bulletin

October 1942

Special Articles

First Inter-American Conference on Social Security

Wages in Place of Benefits

Effect of the War Economy on Financing Public Assistance

Sixth Year of the Railroad Retirement System

FEDERAL SECURITY AGENCY

SOCIAL SECURITY BOARD

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Social Security in Review

PRESIDENT ROOSEVELT said on October 9 that he planned to submit to Congress, as soon as the pending tax bill is completed, "a comprehensive program for expanding and extending the whole social security system along the lines laid down in my budget message last January." This program, the President pointed out in a letter to the Senate Finance Committee, "would involve substantial further increases in rates of contribution."

"This is one case," the President declared, "in which social and fiscal objectives, war and post-war aims are in full accord. Expanded social security, together with other fiscal measures, would set up a bulwark of economic security for the people now and after the war and at the same time would provide anti-inflationary sources for financing the war."

A SINGLE REHABILITATION SERVICE for the physically handicapped, to be established within the Federal Security Agency, was requested by the President in a message to Congress on October 9. The President estimated that a million persons are now waiting for such a service, which would make them available as manpower for war industries or agriculture. "Our present provisions in this field," the President said, "are inadequate to meet this task . . . Provision should be made not only for persons now handicapped but also for persons disabled while members of the armed forces and for the increasing number of accident cases that are accompanying the rapid expansion of our war industries. In order to secure the most effective utilization of the capabilities of the physically handicapped it is important that a single Rehabilitation Service be established for both veterans and civilians . . . While the present plan for Federal-State cooperation should be preserved in this field of training, where it has chiefly operated, the Rehabilitation Service should look after the other aspects of this problem and discharge what is plainly a Federal responsibility—

the provision of service to all persons whose disability grows out of the conduct of the war."

COMPLETE AUTHORITY to control and regulate transfers of Federal employees was conferred on the War Manpower Commission by Executive Order 9243 dated September 12. Two days later this authority was delegated by Chairman Paul V. McNutt to the Civil Service Commission, effective September 27.

The Civil Service Commission is empowered to transfer employees from one Government agency to another without the consent of either the employee or the agency when it is felt that such a transfer will contribute effectively to the war effort. An employee can also be transferred to a private enterprise when the Commission considers that he is more urgently needed there. In such cases the consent of the employee must be obtained but not that of the agency from which he is being transferred. The employee is considered on leave without pay from the Federal agency during the period that he is in private employment, but for not longer than 6 months beyond the duration of the war. The transferred employee is entitled to reemployment with the agency from which he is transferred, at the same pay and in the same status. No employee will be transferred to a position of lower rank or at less pay.

The Civil Service Commission is setting up appeal machinery to which either the employee or employer may appeal the decision of the Commission if either feels that for valid reasons the transfer should not be made.

APPEARING BEFORE the House Select Committee Investigating National Defense Migration on September 16, Mr. McNutt testified that some type of national service legislation is inevitable if the Nation's labor supply is to be controlled effectively. He revealed that the Manpower Commission has had such legislation under con-

sideration for some time but is not yet certain how soon it will be recommended to the President or what form the recommendation will take. It could be assumed, he said, that it would contain appropriate measures, similar to those embodied in the British system, to safeguard the interests of both workers and employers.

Apropos of farm-labor scarcities, Mr. McNutt testified before the House Agriculture Committee on September 28 that "freezing of labor in agriculture is a real possibility." On September 14 the Attorney General authorized the Immigration and Naturalization Service to permit Mexican agricultural workers to enter the country temporarily wherever the USES certifies that a need for them exists. Before such certification, the USES policy is to ascertain that all supplies of domestic farm labor, including secondary sources, are fully utilized within an area which is a reasonable distance from the place of employment—no workers will be transported who are within 200 miles of the place of employment—and to ascertain that such importation will not lead to the displacement of domestic labor or reduction or depreciation of wages for such labor. Need for importing Mexican labor will not be certified for any employer order that does not meet the standards of wages, working conditions, periods of employment, housing conditions, and related requirements stipulated in the understanding, announced August 6, between the Mexican and the United States Governments and in agreements between the Farm Security Administration and employers. The Farm Security Administration is responsible for transportation of Mexican agricultural workers to the place of employment and back to the area of recruitment.

Although beneficiaries of the old-age and survivors insurance system are an insignificant part of the total potential labor reserve—one of the articles in this issue of the Bulletin discusses this subject—some beneficiaries doubtless can render appreciable services to farmers. To utilize all possible sources, the Bureau of Old-Age and Survivors Insurance prepared an announcement mailed with the September benefit checks, pointing out the urgent need for farm labor and the fact that the extra money earned from such farm work would not cause suspension of the monthly benefit payments. "Boys and girls who are 16 or 17 years old" the notice also pointed out, "who wish to extend their summer vacation in order to work on a

farm may continue to receive their monthly insurance benefits while so working. But they must notify the Social Security Board office of the date they expect to return to school." All who could "give a helping hand" were urged to visit the local office of the USES, where they could get full information about available jobs.

WPA WORKERS who are able to take jobs in war industry or in agriculture are to be directed to such jobs under a system agreed upon by the WPA and the USES. A WPA representative will be placed in the office of each State director of the USES to study the problems involved and help in channeling capable certified WPA workers into war production.

PLACEMENTS by the USES in August did not quite reach the July level, although the number—983,000—was almost half as much again as in August 1941. Nonagricultural placements totaled 641,000, somewhat less than the June and July figures but otherwise the highest for any month since 1935; they were 29 percent greater than in August 1941 and more than double the August 1940 total. Agricultural placements also shared in the slight decline from July but were almost double those in August of each of the 2 preceding years. The bulk of the farm placements continued to be concentrated in a few States; Arkansas, California, Oregon, Texas, and Washington accounted for more than half of the total.

Applications for work filed with public employment offices dropped to 1.4 million, the smallest monthly total thus far this year. New applications totaled 807,000. They were 15 percent more than in August of last year, although they were 14 and 24 percent less than in July and June 1942, respectively, when students were entering the labor market in large numbers.

Unemployment benefit payments in August dropped to the lowest level so far this year. Disbursements totaled \$28.3 million, 13 percent less than in July. Higher base-period earnings and liberalized benefit provisions in many States, however, kept the level for the month 7 percent above that for August 1941. The 2.2 million man-weeks of unemployment compensated were 13 percent below the July level and 7 percent less than in August 1941. The estimated number of different individuals who received at least

one benefit check during August—739,000—also dropped to the lowest total for any month this year and 14 percent below the July total. For the second consecutive month, disbursements in New York exceeded those of any other State and were almost double the amount paid out in Illinois, which had the next highest disbursement total.

SOCIAL SECURITY ACCOUNTS were established for nearly 2 million applicants in the second quarter of 1942. Of this number, 84 percent represented accounts for a group composed of women of all ages, men under 20, and men 60 years of age and over—the country's potential labor reserve. This is the largest proportion on record for any quarter for this group; in the first quarter of 1942, they were 75 percent of the total. More accounts were established for women during the second quarter than in any previous quarter. Except for October-December 1941, when women account holders actually outnumbered the men, the second-quarter percentage—49.5—was the highest to date. Fifty-seven percent of all applicants were under age 20—a higher percentage than for any other quarter on record, and also a larger absolute number. This increase reflects the unprecedented increase in the group of applicants under age 18, which was 39 percent larger than in the second quarter of 1941.

Monthly benefits of \$11.2 million were in force for 614,000 beneficiaries at the end of July, increases of 3 percent in each case. Monthly benefits in conditional-payment status continued to increase as a proportion of all benefits in force. All but 300 of the 4,200 increase in conditional payments took place in suspended benefits. Frozen benefits continued to decline as a proportion of the total in force.

THE AMOUNT EXPENDED for public assistance and earnings under Federal work programs in the continental United States in August was the smallest for any month since October 1933. Expenditures totaled \$110 million, 32 percent below August 1941 expenditures and 64 percent

below the highest month, January 1934, when \$308 million was expended. Since that figure represented peak employment under the Civil Works Program, a more valid comparison is that with the next largest monthly total, \$304 million in December 1938. Expenditures for the three special types of public assistance, which accounted for 60 percent of all expenditures for August, were 9 percent above the amount expended for those programs in August 1941. General assistance payments, 12 percent of the whole this August, represented a decline of 32 percent from the level a year ago; WPA earnings, 28 percent of the total, were 49 percent below the August 1941 level.

TRANSFER of the Region VII regional office from Birmingham, Ala., to Atlanta, Ga., and transfer of the State of Arizona from Region XI to Region XII were authorized by the Board early in September. Both transfers were made so that the regions and regional headquarters of the Board would be identical with those of the War Manpower Commission. The transfer of the regional office was effective October 1. The incorporation of Arizona within Region XII is set formally for November 1, but an individual schedule for transferring the several functions will be worked out to minimize interruption of the Board's programs.

On September 17 the Chairman of the War Manpower Commission announced the appointment of three new regional directors. The former regional director of the Social Security Board's Region II was appointed regional director for the Commission for the analogous region, New York State. The other two directors were appointed for Region I—New England—and Region X—Texas, New Mexico, and Louisiana.

A NATION-WIDE DAY-CARE PROGRAM has been instituted for children of mothers engaged in war industries. The program, implemented by the Budget Bureau's allocation of \$400,000 from emergency war funds, will be under supervision of the Office of Defense Health and Welfare Services.

The First Inter-American Conference on Social Security

WILBUR J. COHEN *

THE INTER-AMERICAN CONFERENCE on Social Security, established at a social security conference held in Santiago de Chile, September 10-16, 1942, marked a significant milestone in inter-American cooperation. Representatives of 21 countries of the Americas were present at the Conference in addition to representatives of the Pan American Sanitary Bureau and the International Labor Office.

To provide a continuing organization between conferences and promote cooperation among the social security institutions of the various countries, a Permanent Inter-American Committee on Social Security was created. Arthur J. Altmeyer, Chairman of the Social Security Board, was elected President of the Committee, and Osvald Stein, Assistant-Director of the International Labor Office, was named Acting Secretary-General.

Delegates to the Conference from the United States were:

Arthur J. Altmeyer, Chairman, Social Security Board, Chairman of the delegation.

A. Ford Hinrichs, Acting Commissioner of Labor Statistics, Department of Labor.

Emile Rieve, President of the Textile Workers of America, and Vice-President of the CIO.

George St. J. Perrott, Chief, Division of Public Health Methods, National Institute of Health, U. S. Public Health Service.

Wilbur J. Cohen, Technical Adviser to the Social Security Board, Technical Adviser to the delegation.

John M. Clark, Director, Rehabilitation Division, Office of the Coordinator of Inter-American Affairs, Secretary to the delegation.

Sheldon T. Mills, Second Secretary of the American Embassy at Santiago, Secretary to the delegation.

The tripartite delegation from the Governing Body of the International Labor Organization included two representatives from the United States—Robert J. Watt and Clarence J. McDavitt. Mr. Watt, International Representative

of the American Federation of Labor, was the representative for employees of the United States on the Governing Body; Mr. McDavitt, formerly of the New England Telephone Company, represented the employers of the United States; and Paul van Zeeland, former Prime Minister of Belgium, represented the governments on the Governing Body. Dr. Anthony Donovan of the U. S. Public Health Service, stationed at Lima, Peru, represented the Pan American Sanitary Bureau.

Miguel Etchebarne, Minister of Health, Insurance and Social Assistance of Chile, presided as Chairman of the Conference. The first session was held in the National Congress and was attended by the President of the Republic of Chile, Juan Antonio Rios. A welcoming speech by the Minister of Foreign Affairs, Ernesto Barros Jarpa, officially opened the Conference. Responses were made by several delegates, including Mr. Watt who spoke for workers and Mr. McDavitt for employers.

The Inter-American Conference on Social Security was the outgrowth of three previous conferences of the various American countries. Two of these concerned labor, and the American countries which are members of the International Labor Organization participated. The first took place in Santiago de Chile in January 1936, and the second at Havana, Cuba, in December 1939. The third conference was held at the invitation of the Peruvian Government in Lima, Peru, in December 1940, on the occasion of the opening of the Workers' Hospital built by the National Social Insurance Fund of Peru.

The 1936 Santiago labor conference of American countries, members of the International Labor Organization, was held in conformity with the International Labor Organization principle of tripartite representation and composed of delegates of government, employers, and workers. Compulsory social insurance was recommended by this group as the most effective method of providing the protection necessary to the worker and his

* Technical Adviser to the Social Security Board.

family. The social insurance recommendations drawn up at that time were reaffirmed at the labor conference held in Havana in 1939.

The meeting in Lima, Peru, in 1940 convened under the chairmanship of the Minister of Public Health, Labor and Social Insurance of Peru, Constantino J. Carvallo, and with the cooperation of John G. Winant, at that time Director of the International Labor Office. The representatives decided that a permanent organization should be established to promote the collaboration of social security institutions in American countries in cooperation with the International Labor Office.¹

The Organizing Committee for this year's Santiago Conference was composed of representatives of the principal Chilean social security organizations under the chairmanship of Dr. Julio Bustos, Chief of the Social Security Department of the Chilean Ministry of Health, Insurance and Social Assistance. The Organizing Committee arranged for the delegates to receive special reports on the history and experience of the various Chilean social security agencies and gave them the opportunity to visit typical and important social security agencies in Chile, especially the health insurance funds, clinics, and sanitariums.

The Conference adopted 16 resolutions, one of which was a general declaration of principles and an outline of the objectives of social security policy. Another established the Inter-American Conference on Social Security and the Permanent Inter-American Committee on Social Security. The other 14 resolutions dealt with special and technical problems of social security, particularly with those matters which had been discussed as part of the agenda and proceedings.²

The resolutions adopted by the Conference look

¹ The 10 individuals who signed the resolutions adopted at the Lima conference became the Inter-American Committee to Promote Social Security: Constantino J. Carvallo, Minister of Public Health, Labor and Social Welfare of the Republic of Peru, Chairman of the Board of Directors of the National Social Insurance Fund of Peru; Carlos Quintana, Ambassador of the Argentine Republic, specially appointed; Pedro Hidalgo Gonzales, Manager of the Private Employees' and Workers' Insurance Fund of the Republic of Ecuador; Manuel Mandujano, Counselor of the Workers' Insurance Fund of the Republic of Chile; Jorge Fernandez Stoll, Director of Labor and Social Welfare, Vice-President of the National Social Insurance Fund of Peru; Salvador Allende, Minister of Health of the Republic of Chile, Chairman of the Board of Directors of the Workers' Insurance Fund of Chile; Arthur J. Altmeyer, Chairman of the United States Social Security Board; Victor Andrade, Manager of the Workers' Insurance and Savings Fund of Bolivia; Jose Vizcarra, Chief of the Valparaiso Polyclinic of the Workers' Insurance Fund of Chile; Edgardo Rebagliati, Managing Director of the National Social Insurance Fund of Peru.

² The proceedings of the Conference and the resolutions adopted and a summary of the discussions will be published shortly by the International Labor Office.

toward the development of a continental program of basic security which "will promote personal effort and initiative and improve the structure of society by the elimination of the causes of social insecurity . . . Each country must create, conserve and build up the intellectual, moral and physical vigour of its active generation, prepare the way for its future generations, and support the generation that has been discharged from productive life. This is social security: a genuine and rational economy of human resources and values."

Any policy of social security for the Americas, the Conference declared, should comprise measures for promoting employment and maintaining it on a high level, for increasing the national income and sharing it more equitably, and for improving health, nutrition, clothing, housing, and general and vocational education for workers and their families. "The health, capacity, and welfare of the workers of any one American nation," it was pointed out, are "a concern of all American nations, and therefore concerted action by social security institutions is imperative for the preservation of their human assets as a guarantee of continental defense and integrity."

As an expression of social security, the Conference found, social insurance is called upon to organize prevention of hazards which deprive the worker of his earning capacity and means of subsistence; to restore, as quickly and fully as possible, the earning capacity lost or reduced by reason of sickness or accident; and to supply the means of subsistence in case of cessation or interruption of gainful activity as the result of sickness or accident, temporary or permanent disability, unemployment, old age, and premature death of the breadwinner. The countries of the Western Hemisphere, which are developing various social insurance and social assistance plans but have not yet established them as an integral system of social insurance, were urged to unify these plans within a compulsory scheme of social insurance.

The Conference also recommended to the countries represented the necessity of organizing, within the framework of social insurance, "services for the protection of maternity, childhood and adolescence, in their economic, medical, social, legal and educational aspects in accordance with public policy and a general technical program which

contemplates each and all the phases of the problem."

Reaffirming the position taken by the International Labor Office, the Conference also advocated "the principle of the participation of employers and workers designated by their respective organizations in a consultative and advisory capacity in the administration of social security."

The Conference stressed the urgency of extending social insurance to include agricultural workers, domestic servants, and the self-employed³ and recommended that the agenda of the next Inter-American Conference include "the question of extending to the white-collar workers of the liberal professions the recognized benefits of social security." The Conference also urged that, in case of mobilization of the armed forces, the State take measures to protect and maintain the rights of insured persons.

Among the several resolutions relating to health, one recommendation was that "health protection should be organized on the basis of national insurance applied to wage earners and their families and also, under like conditions, to the self-employed; this insurance should cover general and occupational risks and should be financed by the State, the employers and the workers."⁴

Since, under any policy of prevention, it is necessary to restore to activity in national production all persons involuntarily unemployed, and to provide treatment for the debilitated and sick, including those whose illness is not apparent, by incorporating periodic health examinations in the sickness insurance system, the Conference urged:

1. The establishment, at the sole cost of the employer, of compulsory social insurance against industrial accidents and occupational diseases, to be coordinated with, and if possible unified with, compulsory insurance against sickness, disability, old age, and death.

2. The extension of the scope of compulsory sickness insurance so as to include all wage earners, salaried employees, artisans, professional workers and small shopkeepers, and their families; this insurance should provide

³ See the report submitted to the Conference, *Extension of Social Insurance Coverage to Agricultural Workers, to the Self-Employed and to Domestic Servants*, by Drs. Julio Bustos, Chief of the Social Insurance Department; Jose Vizcarra, Regional Medical Chief, Compulsory Insurance Fund; and Manuel de Viado, Assistant Chief, Medical Section, Social Insurance Department of the Chilean Ministry of Health, Insurance and Social Assistance. International Labor Office, Montreal, 1942.

⁴ See the report on this subject, *Protection of the People's Health Through Social Insurance; Basic Ideas for a General Health Program Derived from Chilean Experience*, by Drs. Julio Bustos and Manuel de Viado. International Labor Office, Montreal, 1942.

medical, surgical, pharmaceutical, hospital, dental, and prosthetic benefits and cash benefits.

3. Disability and old-age provision for the groups mentioned in the preceding paragraph by means of temporary and life benefits varying between a minimum of subsistence and a suitable maximum, according to the amount of the wages earned, the length of the contribution period, and the family responsibilities of the beneficiary.

4. Provision for death, by means of widows' and orphans' insurance benefits.

5. Aid for the involuntarily unemployed, by means of cash benefits or loans, coordinated with an adequate employment service.

6. Creation of a State technical organization with the functions of affording general guidance to and supervising social security institutions.

7. Establishment of chairs of social medicine.

The delegates were invited "to seek the adoption, by their governments, of measures to facilitate the interchange of the pharmaceutical products manufactured by the industry or public establishments of their countries," and to bring to the notice of the countries represented the suggestion that they should set up, in cooperation with the International Labor Office and the Pan American Sanitary Bureau, committees on rationalization and medical economy.⁵ These committees, it was suggested, should be officially entrusted with: formulation and application of uniform methods for the registration and statistics of the services, needs, and forms of medical care and of uniform standards for the application of these methods; study of the characteristics of the medical and pharmaceutical benefits of each country, enlisting in the investigations the cooperation of institutes, university faculties, and any other existing bodies; and carrying out studies of medical economy, defining the medical and sanitary problems of regions and countries, and determining which are the most urgent measures.

In turn, the Conference agreed to set up a committee on rationalization and medical economy which will coordinate and direct the work of the national committees, organize international inquiries and conferences, take part from time to time in experiments of general interest, establish scholarships, and issue studies and publications in harmony with the policy and activities of the International Labor Office.

⁵ See the report submitted to the Conference, *Efficacy and Economy of Medical and Pharmaceutical Benefits in Health Insurance Plans*, by Dr. Edgardo Rebagliati, General Manager, National Social Insurance Fund of Peru. International Labor Office, Montreal, 1942.

The Conference adopted a resolution dealing with disability insurance, which was the subject of the formal report submitted to the Conference by Mr. Altmeyer.⁶ The resolution declared that:

1. A person should be deemed to be disabled if his mental and physical capacity for any occupation on the labour market suitable to a person of the same sex, age or occupation is not such as to enable him, after rehabilitation, to earn a substantial wage.
2. Disability insurance should cover permanent incapacity for any remunerative work.
3. When the beneficiary recovers his capacity for work, preference should be accorded to finding him work suitable for his regained capacity.
4. Insurance against permanent disability should be linked up without interruption with insurance against sickness or temporary incapacity.
5. Any person entering insurance for the first time should undergo a complete medical examination by the insurance institution, when he takes up his employment.
6. Both insured persons and beneficiaries should be medically examined at intervals for the purpose of discovering incapacity in the course of development, avoiding simulation and verifying the permanence of the incapacity.
7. Centers for the vocational rehabilitation of disabled persons should be established within the framework of social insurance schemes.
8. Disability benefits should be awarded on a provisional basis, except where there is no possibility of rehabilitation.
9. Beneficiaries should be required to undergo treatment, especially surgical treatment, where, in the opinion of the doctors it will be conducive to recovery.
10. A qualifying period of insurance as a condition for the award of disability benefits is advisable as an effective means of preventing an excessive growth of claims.
11. The rate of the disability benefit should be adequate to afford a minimum of subsistence compatible with the position of the insured person and his family responsibilities, but nevertheless so limited as to leave an incentive to return to work in cases where recovery is possible.
12. Employers should reserve for rehabilitated persons a certain number of jobs and employments, which are compatible with their new working capacity.

In addition to the address by Mr. Altmeyer, the other important address to the Conference by a citizen of the United States was that made by Nelson Rockefeller, the Coordinator of Inter-American Affairs. Mr. Rockefeller said, in part:

⁶ *Formulating a Disability Insurance Program: An Analysis of Problems With Special Regard to the Situation in the United States*, Montreal, 1942. See also the interesting analysis commenting on the Altmeyer report, *Seguro Social de Invalidez*, by Dr. J. Vizcarra (Valparaiso, Chile, 1942).

This war in which the fates of our type of civilization are being decided, is a war about social security. It is a war for social security . . .

Because there was lack of security, the world, during the 1920's and 1930's, was gripped by a vast psychological crisis—a huge wave of neurotic terror—which enfeebled the wills and blinded the judgment of millions of men and women yearning for security . . .

By agreements between our various governments, we are evolving in one country after another methods for contributing jointly toward the building of better health, sanitation, and food production methods and practices. Toward these purposes, we are jointly contributing technical skill, equipment and ideas for better equipment, money and organizing facilities and the contrasting experiences of our experts with these problems.

In Paraguay, in Ecuador, in Central America, and in the Amazon Valley, we are making practical headway at the cooperative solution of these problems which affect so profoundly the future happiness of our peoples. And within a very short time, we expect to be working by similar cooperative methods in a number of other regions. . . I am sure I do not need to labor the point here that the conquest of disease and the provision of food and good housing and the raising of living standards are basic to social security; that without constant development in these fields, our appropriations for social security can be largely wasted . . .

Other members of the United States delegation took part in the proceedings of the Conference. Mr. Hinrichs traced the historical development of the social security program in the United States. Mr. Cohen discussed the extension of social insurance coverage to agricultural labor, domestic workers, and the self-employed, with particular reference to special problems in the United States. Mr. Perrott submitted a report on the need for a uniform system of bio-statistical information.

While it is not expected that the Conference will hold further sessions during the war, plans are now under way for the continuous exchange of information and experience among the various countries. It is expected that the Permanent Committee, in cooperation with the International Labor Office, will begin preparation of plans and materials so that another conference can be held after the cessation of hostilities, in order to carry on the important work of perfecting social security legislation and administration throughout the Western Hemisphere.

Wages in Place of Benefits

ELIZABETH PASCHAL AND ELIZABETH KOELLNER*

"CRITICAL LABOR SHORTAGES," "pirating of labor," "employment of minority groups," "priorities on skilled workers"—these are words that make the headlines today. Unemployment, except in the form of temporary "priority unemployment" occurring when civilian production is curtailed to make more materials available for war uses, is no longer a general problem. Under the impetus of wartime demand for labor, new workers are being trained for jobs, old workers are returning to employment. The War Manpower Commission reported that 12.5 million workers were directly engaged in war production on July 1, and that industry must now look to persons not normally in the labor force for many of the new recruits it still demands.

One part of that labor reserve consists of aged individuals who have retired from employment. Another includes housewives. Still another group is composed of boys and girls under 18 years of age who can work outside school hours or leave school to take jobs. Among these people are beneficiaries under the Social Security Act, aged men and their wives, young widows with children in their care, and children of retired workers or, more frequently, children of deceased insured workers. How large a factor are they in the labor reserve? To what extent can they become active participants in war production? How will their status as beneficiaries be affected if they take work, and will they be willing to work for wages when they have income from benefits now?

Many of the persons in the total labor reserve are answering the Nation's call for workers and are returning to work or entering employment for the first time. Indicative of first-time employment of persons who normally would not be in the labor force is the unusual volume of account numbers issued during 1941 and the first and second quarters of 1942¹ to persons under 18 years of age and to women between the ages of 20 and 44. In the second quarter of 1942, more persons 16 and 17 years of age applied for account numbers than had applied in any previous quarter. Nearly half of

all the applicants for account numbers were women, a higher proportion and a larger number than in the second quarter of any previous year.

The group of beneficiaries under old-age and survivors insurance is only a small part of the potential labor reserve. It included less than 600,000 persons at the end of May 1942. Although about half of these were retired wage earners, the number of war workers who may be drawn from this reserve, while indeterminable, must be relatively small.

It is estimated that approximately 70 percent of the wage earners who had become eligible for old-age benefits by the end of 1941 had not applied for benefits by the end of the year, presumably because they were still in covered employment. Among the 30 percent who did retire, many cannot find work that they are able to do. In most cases, the old-age benefits seem to serve primarily as disability or superannuation benefits for insured persons 65 years of age and over who are unable to hold jobs in covered employment.

The Work Clause

Old-age and survivors insurance benefits are designed to compensate, in part, for the wage loss which occurs when a worker retires or dies leaving dependents. They are not intended for persons who are working. The act provides for the suspension of benefit payments for any month in which a beneficiary earns \$15 or more in wages in covered employment. For administrative reasons, work in noncovered occupations, for which the Social Security Board receives no wage reports, does not cause a suspension of benefits. If a primary beneficiary has a wife and child or children who are entitled to benefits on the basis of his wage record, his employment in covered industry results in the suspension of their benefits as well as his own. However, a widow entitled to benefits may take employment and, while her own benefits will be suspended for any month in which she earns \$15 or more, her children will continue to receive the benefits to which they are entitled.

It has been queried whether the "work clause" is preventing beneficiaries who otherwise could do

*Bureau of Old-Age and Survivors Insurance, Analysis Division.

¹ See tables 4-7, Old-Age and Survivors Insurance section, this issue.

useful work from taking jobs. Data on their employment do not reveal that any significant number of beneficiaries is restrained from working because of this provision. It would be a deterrent only if the benefits to which the beneficiary and his family were entitled were as large, or nearly as large, as the wages he could expect to earn. For the average beneficiary, the benefit amount is far below current wage levels, even below what he might expect for half-time work in many cases. Consequently, if he is physically able to work and can get a job, he is likely to continue working.

Some insured workers continue in jobs after they reach age 65 even though their earnings may be falling off. To prevent the ultimate monthly benefit amount from being pulled down by this reduction in his average wage, an insured wage earner may file a claim at or after age 65 and "freeze" his average monthly wage as of that date. The amount of his monthly benefit which will become payable when he stops working will be the same as if he had stopped work at the time he filed his claim. So long as his wages are higher than the amount of his benefits, he is likely to continue to work. Only if he loses his job or becomes incapable of regular work will he retire. The payment status of workers who have frozen their bene-

fits is similar to that of persons whose benefits are in suspension because they are earning monthly wages in covered employment. Workers with frozen benefits—8,675 at the end of May 1942—are only a small part of eligible aged wage earners who are holding on to their jobs. To avoid any misrepresentation in the extent of employment among beneficiaries, frozen benefits have been eliminated from all data discussed here.

Monthly Rate of Suspensions and Reinstatements

Ever since monthly benefits were first payable, retired wage earners have been going back to work, some from necessity, others because of high wages offered, and still others because of the desire to be productively active. Some of these older workers find that they cannot stand the work pace, or that their earnings do not compensate for the loss of benefits plus the effort or the extra expense entailed by the return to a job. Others took jobs which they knew would be temporary. As a consequence, each month the Social Security Board reinstates to current-payment status a considerable number of workers whose benefits had been suspended previously because of employment.

In spite of the accelerated pace of industry in

Table 1.—Number of monthly benefits suspended because of employment of beneficiary with corresponding rates of suspension, and number of monthly benefits reinstated because of termination of employment of beneficiary with corresponding rates of reinstatement, by type of benefit and by month, January 1941–April 1942¹

Year and month	Monthly benefits suspended				Rate of suspension ² (per 100)				Monthly benefits reinstated				Rate of reinstatement ³ (per 100)				
	Total	Pri- mary	Wid- ow's current	Other	Total	Pri- mary	Wid- ow's current	Other	Total	Pri- mary	Wid- ow's current	Other	Total	Pri- mary	Wid- ow's current	Other	
1941																	
January	2,336	1,909	299	128	0.99	1.61	1.38	0.13	(4)								
February	2,035	1,710	250	75	.79	1.33	1.05	.07	(4)								
March	3,046	2,663	291	92	1.09	1.93	1.11	.08	(4)								
April	3,642	3,212	327	103	1.22	2.20	1.16	.08	1,754	1,548	85	21					
May	4,579	4,008	423	148	1.45	2.62	1.41	.11	2,255	2,102	122	31					
June	4,258	3,554	375	320	1.28	2.23	1.19	.23	2,234	2,062	140	32					
July	5,347	3,776	519	1,052	1.54	2.27	1.56	.71	2,246	2,037	148	61					
August	5,188	3,915	487	786	1.42	2.26	1.39	.50	2,731	2,306	202	223					
September	4,997	3,889	543	565	1.31	2.17	1.47	.34	3,360	2,431	230	69					
October	4,716	3,738	566	412	1.19	2.02	1.47	.24	3,351	2,780	264	307					
November	3,863	3,124	482	257	.94	1.62	1.20	.14	3,017	2,677	195	145					
December	4,203	3,426	522	255	.98	1.72	1.25	.13	3,543	3,179	238	126					
1942																	
January	4,700	3,609	655	436	1.05	1.74	1.51	.22	4,910	4,142	483	285	19.51	20.94	12.91	17.29	
February	4,091	3,181	623	287	.88	1.48	1.38	.14	3,190	2,738	284	168	12.63	13.93	7.21	10.18	
March	5,439	4,362	750	327	1.13	1.96	1.60	.15	3,199	2,767	279	153	12.04	13.43	6.52	9.16	
April	6,903	5,594	807	502	1.40	2.46	1.85	.23	3,333	2,841	329	163	11.39	12.50	6.94	9.09	

¹ Excludes all "frozen" benefits; excludes also wife's or child's benefits suspended or reinstated because of employment status of primary beneficiary.

² Only benefits in current and deferred-payment status are exposed to suspension. Rate of suspension computed by dividing number of benefits suspended each month by average number of comparable benefits in current and deferred-payment status each month. Thus suspensions, which occur continuously throughout month, are related to average representing number of benefits cumulatively in force during month.

³ Only benefits in suspension because of employment are exposed to re-

instatement. Rate of reinstatement computed by dividing number of benefits reinstated each month by average number of benefits in suspension each month. Thus reinstatements, which occur continuously throughout month, are related to average representing number of suspensions cumulatively in force during month. Rates cannot be computed for 1941, because monthly data not available on number of suspensions because of employment.

⁴ Break-down by month not available. Total for 3 months gives following monthly averages: total, 1,361; primary, 1,209; widow's current, 111; other, 41.

the past 18 months, and in spite of the search for skilled and experienced workers among the ranks of the aged, the rate of benefit suspensions, indicative of the return of beneficiaries to work, varies only slightly from that of a year ago. Apparently, to a very large extent, the beneficiaries are actually unemployable, and most of those who were able to work had not left their jobs or applied for benefits before the war demand for workers began.

Of the primary beneficiaries, aged workers entitled to benefits on the basis of their own past wage record, 5,594 had their benefits suspended in April 1942 as compared with 3,212 in the same month of 1941 (table 1). Since the number of persons with benefits in force had also increased during the year, the rate of suspension was 2.46 percent in April 1942 as compared with 2.20 percent a year earlier. The average suspension rate² of primary beneficiaries for the first 4 months of 1941 was 1.71 percent and for the first 4 months of this year, 1.85 percent.

So far, the war demand for workers has not materially changed the number of children whose benefits have been suspended because they themselves got jobs. Since only children under age 18 are eligible for supplementary or survivor benefits, a large number of the child beneficiaries are too young to work. During the first 4 months of 1941, the average suspension rate for aged wives and widows, children, and aged parents together, counting only those suspensions arising from the employment of the beneficiary himself, was 0.09 percent. In the first 4 months of 1942 it was 0.18 percent. Although the employment of children was the cause of the largest proportion of these benefit suspensions, the absolute number of child beneficiaries who go into jobs is clearly an insignificant factor in the labor market.

Widows under age 65 who have in their care young children of a deceased wage earner may be another possible source of workers for war industries. They, too, have their benefits suspended for any month in which their wages in covered employment exceed \$14.99. In the first 4 months of 1941, the average suspension rate for this group was 1.16 percent. For the same period of 1942 it was 1.57 percent. For the month of April the rate was 1.85 percent in 1942, as compared with 1.16 percent in 1941. The suspension rate appears to be increasing slightly for widows in receipt of widow's

current benefits, and to be remaining nearly constant for primary beneficiaries. There is in this fact an indication, however slight, that the war industries may in time attract proportionately more young widows than retired workers.

Benefits in suspension are reinstated whenever a beneficiary notifies the Social Security Board that he is no longer working in covered employment. The rate of reinstatement was greater for the primary beneficiaries than for young widows and other beneficiaries in every month for which data are available. Despite the fact that primary beneficiaries have been more ready or able to take jobs than other beneficiaries since this country entered the war, their turn-over rate has also been larger. Although suspension and reinstatement data together give no indication of the average duration of employment among beneficiaries, they do support the belief that the aged workers who have retired and begun to draw benefits are, for the most part, incapable of holding regular jobs and can add little to the actual labor reserve available for war work.

Employed Beneficiaries, Number and Percent

Monthly rates of suspension and reinstatement of benefits through 1941 and the first part of 1942, which reflect in-and-out movement of beneficiaries to work, do not offer much encouragement to persons who have looked hopefully to the benefit rolls as the source of a considerable labor reserve. The number and proportion of beneficiaries who are actually at work presents a brighter picture, however. At the end of May 1942, monthly benefits were in force for some 564,892 persons. Of this number, 34,034 had their benefits in suspension because of covered employment (table 2). This employed group had more than doubled in size since the preceding June, the first month for which such a figure was available. Although the number of employed beneficiaries varies from one month to another, as some beneficiaries shift into employment status and others move back into active benefit-payment status, the rate of employment of beneficiaries has been slowly increasing. A more comprehensive picture of these changes and of the actual rate of employment may be derived from an examination of the extent to which various classes of beneficiaries can find and hold on to jobs which require the suspension of their monthly benefits.

² Calculated as the harmonic mean of the monthly rate.

At the end of June 1941, 8.0 percent of all primary beneficiaries were in covered employment. This proportion rose to 9.0 percent by the end of December, fell to 8.3 percent by the end of February, then rose to 10.0 percent by the end of May. The month-to-month variation during 1942 followed the trend in general employment—a downward swing in January followed by an upward turn in the spring. Apparently, seasonal variations in business activity and general employment conditions have had some effect on the reemployment of these older workers. It is possible, however, that some of them who were drawn back into employment during 1941 found it physically impossible to keep up with the accelerated tempo of production. They may have been forced back into retirement, some permanently, others until they could find work more suited to their abilities.

Almost all direct defense production, outside of Government navy yards and arsenals, is employment covered under the Social Security Act. Beneficiaries in such employment will not receive benefits. Some retired workers, however, have taken jobs not covered by the act—in agriculture, domestic service, or government employment. As defense industries pull young, vigorous workers from agriculture and nondefense work of various kinds, older workers may fill their places and so help relieve the labor shortage. Since work in non-covered employment does not result in a suspension of benefits, it is certain that a larger number of beneficiaries are at work than table 2 shows.

Women who were receiving widow's current benefits have also been seeking and getting jobs in

covered industry, some for the first time, others after a period out of employment. Although not enough of these widows have been hired to add substantially to the covered labor force, their number is expanding sufficiently to be an important factor in considering the effect of employment trends upon the benefit rolls. More than twice as many widows of insured wage earners who have in their care children entitled to benefits were employed in covered industry at the end of May 1942 as at the end of June 1941. The increase in employment among these widows has been steady and proportionately greater than the increase in reemployment of the retired worker.

During each month of 1942, more widow's current benefits were added to the number in suspension because of covered employment of the widow. Although the work and especially the wages offered may have seemed more attractive to many widows than the benefits they were receiving, they may not have been in a position to work because they had to care for young children. With the establishment of public nursery schools, strongly advocated but so far not created on a wide scale in areas needing them, many of these younger widows would be made available for war work. Although their number would be smaller, the percentage of young widows at work could easily exceed that of employed primary beneficiaries—10.0 percent for May.

Wage earners' children under age 18, and wives, widows, and parents 65 years of age or older, form a group of beneficiaries almost as large as that of retired wage earners. Employment in this group

Table 2.—Number of benefits in force in current, deferred, and suspended status¹ and number in suspension because of employment of the beneficiary,² by type of benefit, as of end of month, June 1941 and December 1941–May 1942

Date	Total		Primary		Widow's current		Other ³		
	Benefits in current, deferred, and suspended status	Benefits in suspension because of employment of beneficiary		Benefits in current, deferred, and suspended status	Benefits in suspension because of employment of beneficiary		Benefits in current, deferred, and suspended status	Benefits in suspension because of employment of beneficiary	
		Number	Percent		Number	Percent		Number	Percent
June 30, 1941	360,994	16,898	4.7	176,960	14,103	8.0	34,719	2,088	6.0
Dec. 31, 1941	470,071	25,407	5.4	222,817	20,084	9.0	46,354	3,682	7.9
Jan. 31, 1942	489,476	24,930	5.1	231,227	19,472	8.4	48,259	3,803	7.9
Feb. 28, 1942	509,140	25,565	5.0	239,516	19,839	8.3	50,355	4,078	8.1
Mar. 31, 1942	526,579	27,555	5.2	246,397	21,374	8.7	52,293	4,487	8.6
Apr. 30, 1942	547,190	30,960	5.7	255,016	24,069	9.4	54,525	4,907	9.2
May 31, 1942	564,892	34,034	6.0	262,394	26,358	10.0	56,388	5,415	9.6

¹ Represents total benefits awarded after adjustment for subsequent changes in number of benefits and terminations, cumulative from January 1940, when monthly benefits were first payable, less frozen benefits.

² Benefits which have previously been in current-payment or deferred-

payment status but for which payments have been discontinued because beneficiaries are earning \$15 or more during current month in covered employment.

³ Includes wife's, child's, widow's, and parent's benefits.

is insignificant both in number and in proportion. Opportunities for employment are generally more limited for them than for primary beneficiaries, all of whom had at some time worked in covered employment. Children who leave school to take jobs, account for the greatest amount of employment among the group of "other" beneficiaries. However, many child beneficiaries are too young to work and others will be able to work only part time, out of school hours, or during vacations. Even in the present labor shortage there are few job opportunities for elderly persons who had been dependent on the wage earner before his death or retirement.

Little Prospect of Increasing Proportion of Employed Beneficiaries

Although some of the persons receiving benefits under the old-age and survivors insurance program can be counted on to take war jobs, it is evident that most of the beneficiaries cannot be regarded as members of the available labor supply. A large proportion of the retired workers past age 65 and their wives, practically all of the aged widows and dependent parents, and a large percentage of the child beneficiaries are incapable of taking or holding full-time jobs. The young widows may be called to work in larger numbers if provision is made for training them and for caring for their young children while they are on the job. Such provision would be part of a broader program, designed to tap the much larger potential labor force composed of wives who have not been working outside their homes and who have children or invalids in their care.³ According to estimates made by the Work Projects Administration in March of this year, there are between 13 and 14 million persons who could not take full-time jobs because they are caring for small children or other dependents.⁴ The beneficiaries who are receiving widow's current insurance benefits are only a small part of this group which might be brought into active war service if there were proper day-nursery care for their dependents.

The fear that the suspension of benefits because of employment would discourage able workers from taking jobs is not justified by the facts. War

industries are offering wages so far in excess of the usual benefit amounts that the prospect of temporary loss of benefits is no deterrent to a worker able to take a job. The more skilled workers have remained in jobs even when they could qualify for benefits, or have returned to work. Older wage earners currently retiring from covered employment are undoubtedly those who, for physical or other personal reasons, are unable to continue working. It is unlikely, then, that the proportion of primary beneficiaries who will return to steady work in covered industry will grow much larger. Consequently, the supply of useful war workers would not be materially increased as a result of abolishing the work clause.

The chief effect of the increased demand for labor on the old-age and survivors insurance program is that the great majority of insured aged workers are staying on the job and deferring application for benefits. When the war is over, we may expect not only the reinstatement to active payment status of many workers who did get and hold jobs through the war period, but also a much larger load of new claims than would normally come in a year, as workers over age 65 are displaced in the reconversion of production to meet civilian demands.

Provision for more nearly adequate benefit amounts would facilitate retirement of older workers in the post-war period. At that time, when jobs will be hard to find, it is probable that permission to supplement their benefits by some earnings to an amount greater than the \$14.99 allowed under the present work clause would not help beneficiaries as much as an increase in the benefit amount. Only when both wages and benefits are low but at least part-time work is not difficult to get does the work clause seriously injure beneficiaries. Those conditions do not exist now, and probably will not in the post-war period. Suspending the work clause now would not materially increase the labor supply, and its permanent suspension would only encourage older workers to keep hunting jobs after the war, when a reduction in the size of the labor reserve will be imperative. Rather, the amount of the benefit payment should be increased and the insurance system should be ready to handle the rush of claims from older workers who served well throughout the war emergency and who have earned the right to retire.

³ See Sanders, Barkev S., "Labor-Force Reserves," *Social Security Bulletin*, Vol. 5, No. 7 (July 1942), pp. 20-22.

⁴ Federal Works Agency, Work Projects Administration, Release #A4313, April 22, 1942.

Effect of the War Economy on Financing Public Assistance*

THE WAR ECONOMY, which has greatly increased war production and at the same time has curtailed the production and sale of consumer commodities, should have a pronounced effect on State revenues and, therefore, on financing public assistance. The effect in individual States will depend on the tax sources used for these programs. Programs financed from income, inheritance, and other progressive taxes or from relatively stable revenues, such as general-property taxes, should not be affected adversely. Financing of these programs may even be more nearly adequate as employment and wage levels rise.¹ On the other hand, further curtailment in the production and sale of consumer goods may reduce State revenues from general and selective sales taxes. General sales-tax yields from rationed goods will be particularly affected, as will taxes on alcoholic beverages and gasoline. There are some indications, however, that reductions in revenues because of rationing may be offset by increased sales and prices of nonrationed goods.

Influence of the War Economy on General and Selective Sales Taxes

The first effect of accelerated production and rising prices under the defense program was a substantial increase in sales-tax collections. Total State tax collections in 1941 reached the unprecedented sum of \$4.5 billion. As a result, many States accumulated surpluses and others reduced taxes.² Sales-tax collections, which represented a substantial part of the total, increased 11 percent from the fiscal year 1938-39 to 1939-40 and an additional 15 percent in 1940-41.³

There are indications, however, that such increases have not continued in 1942, when war

needs have necessitated the sharp curtailment of nonmilitary production. Data for seven States on sales-tax collections in April 1942 show that increases over April 1941 averaged only 8 percent, in contrast to an 18-percent rise for the first 10 months of the fiscal year.⁴ Further deceleration of the rise in such collections may result from

* *Ibid.*, p. 2.

Table 1.—*States financing public assistance entirely from earmarked revenues: Proportion of State funds derived from specified source*

State	Program	Proportion of non-Federal funds provided by State ¹	Proportion of State funds derived from specified source ²				
			Total	General-sales and use taxes	Gasoline taxes	Alcoholic-beverage taxes	All other
Arizona.....	Old-age assistance..... Aid to dependent children, aid to the blind.....	100 100	100 100	31 -----	-----	-----	100 99
Arkansas.....	Old-age assistance, aid to dependent children, aid to the blind.....	100	100	62	26	12	
Colorado.....	Old-age assistance..... Aid to dependent children, aid to the blind.....	100 50	100 100	68 76	31 24	1	
Kansas.....	Old-age assistance..... Aid to dependent children..... Aid to the blind.....	51 33 33	100	100	-----	-----	
Nebraska.....	Old-age assistance, aid to dependent children, aid to the blind.....	100	100	-----	50	31	19
Nevada.....	Old-age assistance.....	50	100	-----	-----	-----	100
New Mexico....	Old-age assistance, aid to dependent children, aid to the blind.....	100	100	20	46	34	
Oklahoma.....	Old-age assistance, aid to dependent children, aid to the blind.....	100	100	100	-----	-----	
Texas.....	Old-age assistance, aid to dependent children, aid to the blind.....	100	100	-----	(?)	(?)	(?)
Utah.....	Old-age assistance..... Aid to dependent children..... Aid to the blind.....	70 76 72	100	100	-----	-----	

¹ Data from "Source of Funds Expended for Public Assistance, 1941," Social Security Board, Bureau of Public Assistance, Mar. 25, 1942, mimeographed release.

² Based on annual report of public assistance agency for 1941 (Arizona, Arkansas, Nebraska, New Mexico), for 1940 (Colorado), and biennial report for 1938-40 (Utah); *Handbook of Kansas Social Welfare Laws, December 1941* (Kansas); *Tax Systems of the World: 1940* (Oklahoma); and "Characteristics of State Plans—characteristics cards" (Nevada, Texas).

³ Special levy on real property to cover estimate of agency.

⁴ Less than 0.5 percent.

⁵ "Omnibus Tax Bill," enacted in 1941, provides funds for public assistance and certain other State functions through a variety of taxes including gasoline sales, sale of automobiles, and luxuries.

several new factors in the war economy—the imposition of price ceilings, greater reduction of non-military production, and stricter controls over installment buying.

Despite these factors, however, no immediate decrease in sales taxes is likely. "Balancing the imposition of price control and reductions in the supply of consumers durable goods on one hand, against expected moderate increases in the supply of food and other nondurable goods and the existence of record inventories, it may be predicted that general sales tax revenues will flatten out, but not slump, in the next several months. Collection experience will vary from State to State, depending on the relative importance of restricted foods in the tax base, but in general no quick decline seems likely."⁵

The extent to which the general-sales tax may be affected by curtailed production and rationing of automobiles, tires, and gasoline is indicated in part by the distribution of retail sales-tax revenues by class of commodity. In 1936, automotive commodities (including filling stations) represented 21 percent of the total; food, 32 percent; general merchandise, 27 percent; and other commodities, 20 percent.⁶ These data indicate that, if sales of automotive commodities were cut to practically nothing, revenues might decrease as much as 20 percent. Offsetting probable declines in automotive sales, however, are recent increases in food sales, which will probably continue to expand.

Through 1941, tax receipts on both alcoholic beverages and gasoline also continued to increase.⁷ However, many distilleries have been converted to war purposes, and States relying on taxes on distilled spirits may find their revenues falling off sharply when present inventories are exhausted. Gasoline taxes also should decrease sharply as rationing is extended.

Changes in General and Selective Sales-Tax Revenues

Many public assistance administrators have been particularly concerned about the effect that decreases in gasoline taxes may have on financing public assistance. These taxes, which probably will be seriously affected by rationing, are unimportant, however, both as a revenue specifically

earmarked for financing the public assistance programs and as a revenue source of State general funds. Only Nebraska uses the gasoline tax as the major revenue earmarked for public assistance; in Texas this tax is one of several revenues so earmarked. Only Florida, New York, Ohio, and Pennsylvania derive part of their general funds from gasoline taxes.⁸ In all other States, gasoline taxes are earmarked, principally for highways and, in a few instances, for education. It is doubtful that decreases in gasoline-tax yields will divert general funds from public assistance to highways, since highway construction is restricted by Federal war agencies and would tend to decrease, in any case, with rationing of automotive products. The effect of sharp decreases in revenues from gasoline taxes, therefore, will be confined to a few States which may have to find other sources of funds for the public assistance programs. It is interesting to note, however, that in Nebraska, the one State which earmarks the gasoline tax as the major revenue for public assistance, the State assistance director has stated that he thinks "the situation regarding assistance won't be any more crucial with gas rationing than it is now." The director pointed out that "liquor and beer taxes are yielding far more than normal this year . . . and during the first five months of 1942 replaced gasoline taxes as the biggest source of assistance income."⁹

Public assistance programs in 38 States¹⁰ will be affected in varying degrees by changes in revenues from sales taxes. The importance of such changes depends on the proportion of funds for public assistance derived from sales-tax revenues¹¹ and the degree to which the funds are limited to such revenues by earmarking.

Sales-tax revenues account for half or more of

⁵ See *Tax Systems*, Tax Research Foundation, Commerce Clearing House, 1940. In Florida, old-age assistance, aid to dependent children, and aid to the blind are financed primarily from earmarked revenues, so that the gasoline tax has a negligible influence on funds for these programs.

⁶ *Journal*, Lincoln, Nebr., June 4, 1942.

⁷ The other 11 States include the District of Columbia, Louisiana, Maryland, New York, South Carolina, Tennessee, and Wisconsin, in which all programs are financed from general funds, of which more than nine-tenths is derived from taxes on income and/or on property and other relatively stable bases; Nevada, where old-age assistance, the only program administered under a plan approved by the Social Security Board, is financed from the property tax; and Massachusetts, North Dakota, and Texas. Data are not available on the amount of public assistance funds derived from general-sales and alcoholic-beverage taxes for all programs in North Dakota and Texas and for old-age assistance in Massachusetts; aid to dependent children and aid to the blind in Massachusetts are financed from general funds, of which less than one-tenth is derived from general-sales and alcoholic-beverage taxes.

⁸ Appropriations from the general fund for public assistance programs are assumed to have been derived from sales taxes in the same proportion as the total general fund is derived from this revenue source.

⁴ *Ibid.*, p. 6.

⁵ Jacoby, Neil H., *Retail Sales Taxation*, Chicago, 1938, p. 239.

⁶ U. S. Bureau of the Census, *State Tax Collections*, 1941, p. 15.

the State funds used for public assistance in 20 States. More than a third of these States finance each of their programs entirely from earmarked funds derived in major part from sales-tax revenues (table 1). Programs will be most directly affected, therefore, in these States, i. e., Arkansas, Colorado, Kansas, Nebraska, New Mexico, Oklahoma, and Utah. Three additional States—Alabama,¹² Florida,¹³ and Oregon—finance programs from both earmarked and general funds, of which at least half is comprised of revenues from sales taxes (table 2). In these States, increases or decreases in sales-tax revenues may be balanced by changes in general-fund revenues and appropriations therefrom. The other 10¹⁴ of the 20

¹² Sales taxes are used for aid to dependent children and aid to the blind only; old-age assistance is financed from the property tax.

¹³ Information is for aid to the blind only; data are not available on the amount of funds for old-age assistance and aid to dependent children derived from taxes on general sales and alcoholic beverages.

¹⁴ California, Illinois, Indiana, Michigan, Missouri, Ohio, South Dakota, Washington, West Virginia, Wyoming.

States finance their programs entirely from the general fund (table 3); changes in revenues from sales taxes in this group of States may be compensated by changes in other revenue sources of the general fund.

In 18 additional States, sales taxes account for less than half although more than one-tenth of funds used for public assistance programs. Arizona¹² alone finances its programs entirely from earmarked funds (table 1), and only Connecticut, Iowa, and Maine use both earmarked and general funds.¹⁵ Programs are financed entirely from general funds in the other 14 States.¹⁶

¹² Information on sales taxes is for aid to dependent children only, in Connecticut; aid to the blind only, in Iowa; and aid to dependent children and aid to the blind, in Maine. In Connecticut, old-age assistance is financed from the poll tax, and aid to the blind, from other relatively stable revenues. Data are not available for Iowa and Maine on the amount of funds for old-age assistance derived from taxes on general sales and alcoholic beverages.

¹⁴ Delaware, Georgia, Idaho, Kentucky, Minnesota, Mississippi, Montana, New Hampshire, New Jersey, North Carolina, Pennsylvania, Rhode Island, Vermont, Virginia.

Table 2.—*States financing public assistance from both earmarked and general revenues: Proportion of State funds derived from specified source*

State	Program	Proportion of non-Federal funds provided by State ¹	Proportion of State funds derived from specified earmarked source ²						Proportion of State general fund derived from specified source ³					
			Total	General sales and use taxes	Gasoline taxes	Alcoholic-beverage taxes	All other	General funds	Total	General sales and use taxes	Alcoholic-beverage taxes	Income taxes	Property taxes	All other
Alabama	Old-age assistance	57	100			(1)	100	(1)	100	31	14	12	20	23
	Aid to dependent children	50	100			31	69			31				
	Aid to the blind	50	100			62	38							
Connecticut	Old-age assistance, aid to the blind	100	100				78	22	100		18	14	17	51
	Aid to dependent children	50	100					100						
Florida	Old-age assistance	100	100			(1)	(1)	(1)	100		23		13	64
	Aid to dependent children	100	100			(1)	(1)	(1)	100					
	Aid to the blind	100	100			100		(1)						
Iowa	Old-age assistance	100	100	(1)			(1)		100	100		25		
	Aid to the blind	45	100					100	100			40	35	
Maine	Old-age assistance	100	100			(1)	(1)	(1)	100		28		41	31
	Aid to dependent children	47	100					100	100					
	Aid to the blind	100	100					100	100					
Massachusetts	Old-age assistance	67	100			(1)	(1)	(1)	100		8	8	32	52
	Aid to dependent children	48	100					100	100					
	Aid to the blind	100	100					100	100					
North Dakota	Old-age assistance	85	100	(1)			(1)	(1)	100		11	9	52	28
	Aid to dependent children	51	100	(1)				100	100					
	Aid to the blind	100	100	(1)				100	100					
Oregon	Old-age assistance, aid to dependent children	60	100				85		100		64			36
	Aid to the blind	61	100					15	100					

¹ Data from "Source of Funds Expended for Public Assistance, 1941," Social Security Board, Bureau of Public Assistance, Mar. 25, 1942, mimeographed release.

² Based on annual report of public assistance agency, 1941 (Alabama, Florida); "Characteristics of State plans—characteristics cards" (Connecticut—aid to dependent children; Maine—old-age assistance, aid to dependent children; Massachusetts—old-age assistance, aid to the blind; North Dakota, Oregon); *Tax Systems of the World, 1940*; and memorandum from Division of Finance and Economic Studies, Bureau of Research and Statistics (old-age

assistance, Connecticut; aid to the blind, Florida); "Earmarking Tax Funds for Welfare Purposes," *Social Security Bulletin*, January 1940 (Iowa, Maine—aid to the blind, Massachusetts—aid to dependent children).

³ Data for 1940 compiled by Division of Finance and Economic Studies, Bureau of Research and Statistics, Social Security Board.

⁴ Less than 0.5 percent.

⁵ Unknown.

⁶ Deficits made up from general fund.

Table 3.—States financing public assistance entirely from general revenues: Proportion of State funds derived from specified source

State	Program	Proportion of non-Federal funds provided by State ¹	Proportion of State general fund derived from specified source ²					
			Total	General-sales and use taxes	Alcoholic-beverage taxes	Income taxes	Property taxes	All other
California	Old-age assistance, aid to the blind	50						
	Aid to dependent children	57	100	53	7	23	4	13
Delaware	Old-age assistance	100						
	Aid to dependent children	50	100		18	40		42
District of Columbia	Old-age assistance, aid to dependent children, aid to the blind	100	100		4	6	57	33
Georgia	Old-age assistance	88						
	Aid to dependent children	87	100		13	36	30	21
	Aid to the blind	87						
Idaho	Old-age assistance, aid to dependent children, aid to the blind	100	100		16	24	37	23
Illinois	Old-age assistance, aid to dependent children	100	100	56	16		(3)	28
Indiana	Old-age assistance, aid to dependent children	60						
	Aid to the blind	100	100	65	14		8	13
Kentucky	Old-age assistance	100	100	(2)	26	17	21	36
Louisiana	Old-age assistance, aid to dependent children, aid to the blind	100	100		(3)		15	85
Maryland	Old-age assistance	67						
	Aid to dependent children	80	100		1	28	27	44
	Aid to the blind	30						
Michigan	Old-age assistance, aid to the blind	100						
	Aid to dependent children	85	100	68	17		1	14
Minnesota	Old-age assistance	67						
	Aid to dependent children	39	100		16		37	47
	Aid to the blind	100						
Mississippi	Old-age assistance, aid to dependent children, aid to the blind	100	100	37	4	10	14	35
Missouri	Old-age assistance, aid to dependent children	100	100	50	12	15	9	14
Montana	Old-age assistance	68						
	Aid to dependent children	70	100		42	12	26	20
	Aid to the blind	69						
New Hampshire	Old-age assistance	50						
	Aid to dependent children, aid to the blind	100	100		29		14	57
New Jersey	Old-age assistance	75						
	Aid to dependent children	35	100		42			58
	Aid to the blind							
New York	Old-age assistance, aid to the blind	51						
	Aid to dependent children	29	100	(2)	8	32	1	59
North Carolina	Old-age assistance	55						
	Aid to dependent children	53	100	31	6	30	5	28
	Aid to the blind	51						
Ohio	Old-age assistance	100						
	Aid to dependent children	43	100	39	26		7	28
	Aid to the blind	33						
Pennsylvania	Old-age assistance, aid to dependent children	100	100	(2)	19	14	13	54
Rhode Island	Old-age assistance, aid to the blind	100						
	Aid to dependent children	59	100		37			63
South Carolina	Old-age assistance, aid to dependent children, aid to the blind	100	100		1	22	9	68
South Dakota	Old-age assistance, aid to dependent children, aid to the blind	100	100	37	20	(2)	13	30
Tennessee	Old-age assistance, aid to the blind	75						
	Aid to dependent children	67	100		8	19	9	64
Vermont	Old-age assistance, aid to the blind	100						
	Aid to dependent children	50	100		28	16		56
Virginia	Old-age assistance, aid to dependent children, aid to the blind	62	100		28	18	10	44
Washington	Old-age assistance, aid to dependent children, aid to the blind	100	100	39	18		11	32

See footnotes at end of table.

Table 3.—States financing public assistance entirely from general revenues: Proportion of State funds derived from specified source—Continued

State	Program	Proportion of non-Federal funds provided by State ¹	Proportion of State general fund derived from specified source ²					
			Total	General-sales and use taxes	Alcoholic-beverage taxes	Income taxes	Property taxes	All other
West Virginia.....	Old-age assistance, aid to dependent children, aid to the blind.	100	100	59	12	5	3	21
Wisconsin.....	Old-age assistance, aid to the blind.....	61	100	-----	9	35	20	36
	Aid to dependent children.....	52						
Wyoming.....	Old-age assistance.....	55	100	51	15	-----	13	21
	Aid to dependent children.....	56						
	Aid to the blind.....	100						

¹ Data from "Source of Funds Expended for Public Assistance, 1941," Social Security Board, Bureau of Public Assistance, Mar. 25, 1942, mimeographed release.

² Data for 1940 compiled by Division of Finance and Economic Studies, Bureau of Research and Statistics, Social Security Board.

³ Less than 0.5 percent.

⁴ Apparently includes part of gasoline tax which, according to *Tax Systems of the World: 1940* and *Supplement: 1941*, is earmarked for unemployment relief.

Under present trends in sales-tax collections, programs in all these States probably can be more nearly adequately financed than under pre-war conditions. If, as the war economy deepens, greater restrictions on the production of consumer commodities result in decreases in sales-tax revenues, these States may have to curtail their programs or find other sources to offset or take the place of decreased sales-tax collections. However, the present improved fiscal condition of the majority of States may mean that losses of revenue from sales taxes, if they occur, can be absorbed either

from accumulated surpluses or from increased collections of other taxes.

Income taxes may provide an important source of State revenue during periods of increased business activity and employment. Income-tax yields should continue to increase with the rising volume of war production. Such increases, however, may be limited in several States which permit deductions for Federal income taxes from the State tax base. It is possible that States which do not levy income taxes may find it necessary to substitute them for sales taxation.

The Sixth Year of the Railroad Retirement System

JACK M. ELKIN *

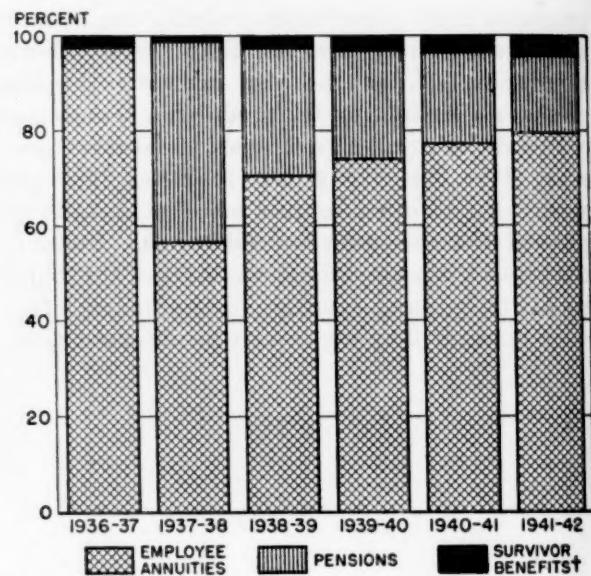
IN THE FIRST fiscal year of operation under a full wartime economy, the railroad retirement system has reflected the marked effect of the war on the railroad industry generally. Improved business conditions in the industry and the general wage increases effective in September 1941 resulted in increased pay rolls and, consequently, in larger tax collections under the Carriers Taxing Act. Because more full-time employment was available, and because of the critical need for individuals in skilled occupations to remain on the job, relatively fewer employees retired. Postponement of retirement by employees eligible to retire reduces the immediate demands on the retirement fund. It also reduces the ultimate total payments which will be made to these individuals, since retirement at a later age shortens the period for which they will be drawing annuities. Although earnings after age 65 are still taxable, their effect on the annuity paid is negligible. All these factors contributed to strengthening the financial foundations of the retirement system. In most respects, the changes in the operations of the system during 1941-42 were continuations of trends already observed in 1940-41.

Benefit Payments

Although the war economy has retarded the expected rate of retirement, the monthly amount of net benefit payments certified to the Treasury increased during the past fiscal year. This net figure consists of the monthly, or in-force, payments to annuitants and pensioners on the rolls at the end of the month, retroactive payments to individuals newly certified or recertified during the month, and lump-sum death benefits certified during the month; minor deductions are made for cancellations and repayments of amounts certified in previous months. All but a small proportion of the payments are made to annuitants and pensioners on the rolls, who have entered the system over a period of years and who, for the most part, receive payments until their death; that group

therefore chiefly determines the level of retirement benefits. Since the number of individuals on the retirement rolls will continue to grow, the increase in benefit payments can be expected to continue with few, if any, interruptions for many years to come.

Chart 1.—*Percentage distribution of benefit payments certified to the Secretary of the Treasury under the Railroad Retirement Act by class of benefit, fiscal years 1936-37—1941-42*



[†]Includes survivor annuities, death-benefit annuities, and lump-sum death benefits.

The net benefit payments certified to the Treasury during the fiscal year 1941-42 totaled almost \$127 million (table 1), 4.0 percent more than the amount certified in 1940-41 and 11.1 percent more than in 1939-40.¹ The immediate factors accounting for the slackening in the rate of increase will become apparent from a discussion

¹A better measure of the changing level of obligations accruing under the retirement act can be obtained by presenting these data on an accrual date basis, i. e., by allocating the payments to the period with respect to which they were payable, rather than to the period in which they were certified to the Treasury. Administrative difficulties, more marked in the early years than at present, often result in the certification of payments a number of months after they fall due. Accrual data are not yet available for 1941-42, but the basic trends are not affected by the certification figures used in this article.

*Railroad Retirement Board, Office of Director of Research.

of the changes in the different types of benefit payments that go to make up the total.²

Payments on employee annuities constituted 80 percent of the total in 1941-42, compared with 77 percent in the preceding fiscal year and 74 percent in 1939-40 (chart 1). Pension payments, on the other hand, declined from 23 percent of the total in 1939-40, to 19 and 16 percent, respectively, in the 2 succeeding years. Lump-sum death benefits amounted to 2.8 percent of all benefit payments in 1941-42, to 2.4 percent in 1940-41, and to 1.9 percent in 1939-40. Survivor annuity payments were no more than 1 percent and death-benefit annuity payments less than 0.5 percent of the total in each of the 3 years.

By the end of June, the Board had certified a total of almost \$557 million, divided among 275,000 retirement and survivor benefits³ as follows: \$406 million for 161,000 employee annuities; \$133 million for 48,600 pensions; \$9.9 million for 55,300 lump-sum death benefits; \$4.4 million for 3,300 survivor annuities; and \$2.7 million for 6,500 death-benefit annuities.

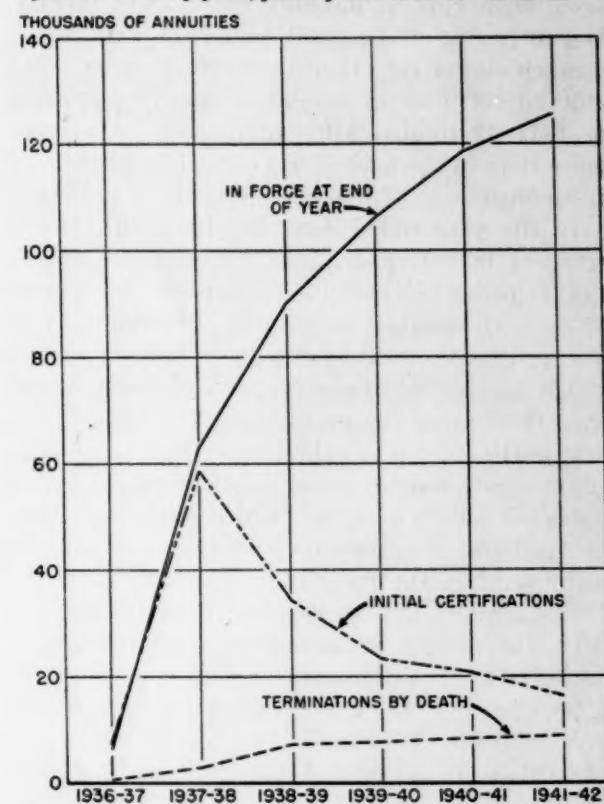
Employee Annuities

A sensitive index of the effect of changing economic conditions on the operation of the retirement system is provided by the changes in data relating to employee annuities. It had been expected, after the first few years during which most of the large number of aged workers attached to the railroad industry were absorbed into the retirement system, that the number of new retirements would drop and then level off to a fairly

² For a detailed description of the different types of benefits, see the appended Technical Notes.

³ Chiefly because lump-sum death benefits are sometimes paid to 2 or more beneficiaries, the total number of beneficiaries of the retirement system was about 280,000.

Chart 2.—Number of employee annuities initially certified and terminated by death during year and in force at end of year, fiscal years 1936-37—1941-42



stable figure. Instead, during the past few years, improved employment conditions in the railroad industry have brought about a continuous decrease in the number of applications filed and a corresponding decline in the number of annuities certified. At the same time, deaths among employee annuitants continued to increase, so that the number of such annuitants on the rolls tended to level off more rapidly than had been anticipated (chart 2).

Table 1.—Railroad retirement: Net benefit payments certified to the Secretary of the Treasury, by class of benefit, fiscal years 1936-37—1941-42¹

Period	Total	Employee annuities	Pensions to former carrier pensioners	Survivor annuities	Death-benefit annuities	Lump-sum death benefits
Cumulative through June 1942.....	\$556,782,414	\$406,411,257	\$133,361,694	\$4,352,429	\$2,714,931	\$9,942,102
Fiscal year:						
1936-37.....	4,514,617	4,409,019	—	36,751	68,846	—
1937-38.....	82,654,534	46,759,441	34,880,960	373,813	606,300	35,017
1938-39.....	107,131,438	75,429,661	28,886,175	778,234	716,326	1,321,040
1939-40.....	114,025,141	84,536,035	25,969,281	912,570	495,271	2,111,982
1940-41.....	121,709,903	94,306,246	23,086,813	1,070,684	436,134	2,900,023
1941-42.....	126,656,780	100,970,853	20,538,463	1,180,373	393,051	3,574,038

¹ Figures for annuities and pensions include sum of amounts payable for each month on all claims certified to end of month and still in force plus retroactive payments on claims initially certified or recertified during year.

Figures for lump-sum death benefits include payments on claim initially certified or recertified during year. Cancellations and repayments of amounts certified in previous years are deducted. Cents omitted.

About 97 percent of the benefit payments certified with respect to employee annuitants are in force on a current monthly basis; consequently, benefit payments increased during the year, but at a much slower rate than in previous years. The amount certified for employee-annuity payments in 1941-42 totaled \$101 million, or 7.1 percent more than in the preceding year, while in 1940-41 the increase was 11.6 percent over the year before.

In the year ended June 30, 1942, the Board received 18,200 applications for employee annuities, 17 percent less than in the preceding year and 32 percent less than in 1939-40. The number of new certifications dropped proportionately to 16,300, a decrease of 21 and 30 percent, respectively, from the 2 preceding years (table 2). In part, the drop in the number of annuities certified was due to administrative delays resulting from the Board's move to Chicago in April. If the number certified in April and May had been at the average level maintained in the rest of the year, the total for 1941-42 would have been more than 17,500.

Deaths among employee annuitants were reported to the Board during the year in 8,800 cases, 9.2 percent over the 1940-41 total and 19.0 percent over 1939-40. By the end of June, 34,500 of the 161,000 annuities certified had been terminated by death.

At the end of the year, the Board was paying annuities to 126,000 retired employees—78 percent of all individuals for whom employee annuities had been certified since the beginning of operations. A year earlier, 119,000 annuities were in force and the year before that, 106,000. The average payment increased slightly during this period, from \$65.55 at the end of 1939-40 to \$65.70 at the end of 1940-41, and to \$65.93 on June 30, 1942. About 4 percent of the annuities at the end of June were subject to recertification, and it is estimated that such recertification will increase the average for the group by about 25 cents.

The number of annuities certified in a given year depends not only on the number of applications received during the year but also on the number held over from the preceding year. On June 30, 1939, when a number of administrative problems were still unsolved, about 12,000 applications were pending. By June 30, 1940, the number had dropped to 9,600 and a year later, to 6,500. On

Table 2.—Railroad retirement: Number and monthly amount of annuities and pensions initially certified and terminated by death during period, and in force at end of period, by class of benefit, fiscal years 1936-37-1941-42¹

Period	Initial certifications		Terminations by death		In force at end of period	
	Number	Monthly amount	Number	Monthly amount	Number	Monthly amount
Employee annuities						
Cumulative through June 1942	161,017	\$10,554,862	34,521	\$2,247,530	125,755	\$8,290,690
Fiscal year:						
1936-37	7,162	445,520	284	17,333	6,870	433,047
1937-38	58,710	3,614,201	2,832	177,983	62,870	4,097,616
1938-39	34,842	2,096,225	7,104	450,108	90,185	5,896,101
1939-40	23,406	1,462,708	7,428	476,994	106,078	6,953,664
1940-41	20,652	1,312,978	8,091	530,559	118,533	7,787,408
1941-42	16,330	1,061,957	8,838	581,300	125,755	8,290,690
Pensions to former carrier pensioners						
Cumulative through June 1942	48,585	\$2,812,041	20,976	\$1,184,357	27,582	\$1,626,465
Transferred as of July 1, 1937	47,977	2,784,873	—	—	—	—
Fiscal year:						
1937-38	741	33,454	4,692	259,233	43,914	2,554,978
1938-39	108	5,943	4,526	255,402	39,500	2,305,770
1939-40	24	1,302	4,363	244,392	35,146	2,061,717
1940-41	39	1,800	4,107	232,396	31,080	1,830,875
1941-42	53	2,139	3,557	207,067	27,582	1,626,465
Survivor annuities						
Cumulative through June 1942	3,321	\$107,314	259	\$8,549	3,053	\$66,583
Fiscal year:						
1936-37	115	4,651	—	—	115	4,651
1937-38	707	27,273	15	533	807	31,489
1938-39	1,009	30,687	32	1,046	1,783	61,239
1939-40	623	18,112	62	1,937	2,341	77,595
1940-41	501	14,532	71	2,300	2,771	90,045
1941-42	367	11,330	82	2,815	3,053	96,583
Death-benefit annuities ²						
Cumulative through June 1942	6,489	\$235,353	5,915	\$214,593	573	\$20,745
Fiscal year:						
1936-37	250	9,380	12	464	238	8,916
1937-38	1,439	53,518	1,027	38,273	650	24,232
1938-39	1,729	63,008	1,612	60,061	770	27,364
1939-40	1,204	42,548	1,252	43,875	725	26,182
1940-41	1,025	36,081	1,041	36,765	710	25,540
1941-42	861	30,452	1,003	35,446	573	20,745

¹ Data for initial certifications are for period during which payment was first certified and not for period during which it began to accrue. Data for terminations by death are for period during which notice of death was received and not for period during which beneficiary died. Cumulative data exclude claims declared ineligible, erroneous certifications, and erroneous reports of death. In-force data as of any date include only certifications made up to that date less terminations by death reported by that date; they are also adjusted for recertifications, reinstatements, and terminations for reasons other than death (suspension, return to service, recovery from disability, commutation to lump-sum payment). All data are based on accounting period ended on approximately 20th day of last month of each period in case of certifications and 10th in case of terminations. Cents omitted.

² In a few cases, payments are made to more than 1 survivor on account of death of 1 individual; such payments are here counted as single items. Terminations include those by death and by expiration of 12-month period for which death-benefit annuities are payable; nearly all terminations are of latter type.

March 31, 1942, there were approximately 5,200 in the pending load, but by the end of the fiscal year, because of the move to Chicago, the number had risen to 5,500. A substantial decrease may be expected during the current year. The Board also has on file a group of inactive applications which relate to annuities with beginning dates more than 30 days in the future. These applications during the past year remained at a fairly stable level of 15,000-16,000.

Pensions

Pension payments differ from employee annuities in that the pensioners represent a fairly closed group of individuals taken over by the Board from the private pension systems of the railroads. Therefore, the pension rolls are being steadily depleted by death while the new cases added each year are negligible. For 1941-42, payments totaled \$20.5 million, 11 percent less than in 1940-41 and 21 percent less than in 1939-40.

New pensioners transferred to the rolls come from the pension registers of companies newly determined to be employers under the act. The 53 individuals transferred in the last fiscal year brought to 965 the total number of accessions since the original group was taken over on July 1, 1937.

The Board received during the year 3,600 reports of death among pensioners, 13 percent less than the year before. The number of deaths among pensioners decreases with the decline in the number on the rolls. The ratio of deaths during the year to the number in force at the beginning of the year, on the other hand, tends to increase with the increasing age of the individuals in the group.⁴

Of the 48,600 pensioners transferred to the rolls of the Board, 27,600 or 57 percent were still receiving payments at the end of the year. This number was 11 percent below that of a year ago, and 22 percent below the number on June 30, 1940. It is estimated that the number of pensions in force will remain above 10,000 until about the end of 1948 and will not fall below 1,000 for at least 10 years after that.

The average pension payable on June 30, 1942, was \$58.97, which was 6 cents higher than the average at the end of 1940-41 and 31 cents higher than the year before. The increase, though not

⁴ A reversal of this trend occurred in 1941-42 as a result of a greater-than-normal drop in the number of deaths reported during the last few months; the reason for this is not yet clear.

marked, has been continuous because most of the terminations occur among the older pensioners, who generally retired in earlier years and received somewhat smaller pensions than did the more recently retired individuals. The main factor causing the increase in railroad pensions was the rise, until 1933, in the wages on which they were based; the great bulk of the pension formulas provided amounts equal to 1 percent of the average monthly compensation in the 10 years preceding retirement multiplied by the number of years of service. After a while, it is expected that the average pension in force will begin to decline, reflecting in part the decrease in the wage base beginning in 1933.

Survivor Annuities

The number of survivor annuities certified continued to decrease during the year just ended, reflecting the declining importance of joint and survivor employee annuities—that is, those payable to individuals who elected to take a reduced annuity in order to provide, after death, a lifetime annuity to the surviving spouse. The number of annuities certified under joint and survivor election in the past fiscal year amounted to only slightly more than 2 percent of all employee annuities certified.

The small number of persons who have taken advantage of the joint and survivor provision of the act has proved somewhat disappointing, in view of the efforts of the Board to acquaint applicants fully with its purposes. When the amount to which the annuitant would otherwise be entitled is substantial and the difference between his age and that of his wife is not too great, the amount of annuity after reduction may be adequate. In other cases the amount may prove insufficient, and this fact undoubtedly has been the major deterrent to the election of annuities of this type.

Because of a decreasing number of deaths among joint and survivor annuitants, along with an increasing proportion who die without leaving a surviving spouse, only 367 new survivor annuities were certified during 1941-42, compared with 501 the year before and 623 in 1939-40. The number terminated by death is still comparatively small: 82 in the year just ended and 71 in the preceding year. Because of the relatively small proportion of these terminations, the number of survivor annuities in force has continued to increase. On

Table 3.—Railroad retirement: Number and average amount of lump-sum death benefits certified, fiscal years 1937-38—1941-42

Period	Number ¹	Average amount of benefit
Cumulative through June 1942 ²	55,310	\$179.70
Fiscal year:		
1937-38	666	52.70
1938-39	15,359	86.08
1939-40	13,370	157.57
1940-41	13,172	218.64
1941-42	12,833	278.28

¹ Represents number of individuals with respect to whose death benefits were certified, rather than number of individuals certified to receive benefits; less than 10 percent have been divided among 2 or more individuals.

² Excludes cancellations and repayments of benefits subsequent to certification.

June 30, 1940, 2,300 were in force; a year later, 2,800; and on June 30, 1942, there were 3,100.

The average monthly payment on survivor annuities in force dropped slightly during these 3 years; on the dates specified, the averages were, respectively, \$33.15, \$32.50, and \$32.29. The main reason for the decrease is the fact that under the 1935 act a relatively large number of individuals who made joint and survivor elections were eligible for disability annuities based on 30 years of service, annuities which are usually higher in amount than any other type. Many of these annuities were terminated by death shortly after they were certified, and survivor annuities became payable. Under the 1937 act, on the other hand, the option of election by such individuals was eliminated. This factor, together with several other restrictions imposed by that act, accounted for the declining number of certifications of survivor annuities.

Death-Benefit Annuities

Death-benefit annuities under the 1935 act are also playing a declining role in the retirement system. The number of such annuities certified in 1941-42 was 861—16 percent less than the number in the preceding fiscal year and 28 percent less than in 1939-40. The decline results both from the decreasing number of employee annuities in force under the 1935 act and from the increasing proportion of individuals who die without leaving a surviving spouse or dependent next of kin entitled to this type of annuity.

Death-benefit annuities are payable for 12 months only, and the number of terminations in 1941-42 (consisting for the most part of those certified the year before) outnumbered the certifi-

cations. As a result, the number in force at the end of the fiscal year dropped to 573 compared with 710 the preceding year. The average annuity in force on June 30, 1942, amounted to \$36.20, as compared with \$35.97 on June 30, 1941.

Of the 23,000 annuitants certified under the provisions of the 1935 act, 15,000 were still on the rolls on June 30. They constitute, along with a negligible number added currently, the potential source from which death-benefit annuities may ultimately arise.

Lump-Sum Death Benefits

The trend in the number of lump-sum death benefits certified each year presents a rather unexpected situation. Since the number of individuals with credited service after 1936 has increased by several hundred thousand during each of the past few years, the number of deaths with respect to which some benefit was payable has presumably increased. This supposition is borne out by the fact that the number of notifications of death received from employers, who are required under the act to report the death of each individual in active service or in an employment relation, has been increasing. There were 11,900 such notifications in 1939-40; in the following year there were 12,600; and in the year just ended, 13,100.

Certifications of lump-sum death benefits, however, have actually been decreasing; 12,800 were certified in the past year, 2.6 percent less than the preceding year and 4.0 percent less than 1939-40 (table 3). The number of these benefits paid because of the death of retired individuals who had already applied or been certified for an employee annuity did increase, but such cases at the present time are relatively few and do not affect the downward trend. More than 90 percent of these benefits have been paid on the death of employees, or of individuals who had left the railroad industry but had not yet reached retirement age.

The decline in certifications does not indicate a failure on the part of the Board to keep up with applications that are filed. By the end of the year only about 1,100 claims were awaiting adjudication and that number had been decreasing. Rather, the reason lies in several factors, chief among which are that: (1) some survivors fail to notify the Board of the death of employees who had left the railroad industry some time prior to death; and (2) others, even after the Board has been notified

and has made every effort to apprise them of their possible rights, do not make a formal application for benefits or do not follow up an application by submitting the necessary documents. In many of these cases, the amount of credited compensation after 1936 is small and the benefit, 4 percent of that compensation, is considered too small to make filing worth while. In others, the survivors may not know or remember that the deceased employee ever worked for a covered employer, or may believe that the only benefits to which they are entitled are the survivor benefits they may be receiving under the Social Security Act.

In spite of the decreasing number of death benefits certified, the total amount involved has been increasing as a result of the rapidly growing amounts of compensation credited to employees since the beginning of 1937. The average amounts certified in the last 3 fiscal years beginning with 1939-40 were, respectively, \$157.57, \$218.64, and \$278.28.

Coverage and Financing

Records of credited compensation earned in each month after December 31, 1936, for each employee subject to the act are maintained by the Railroad Retirement Board from reports made by employers. These records do not show the total number of employees who have rights under the Railroad Retirement Act, since some individuals have received and others will receive annuities based solely on service prior to 1937. The number of such individuals is very small, however, in proportion to the total now covered by the act. To the end of June 1942, over 3.5 million persons had acquired credits under the system for service subsequent to December 31, 1936. More than 600,000 of these did so in the last fiscal year alone, compared with 300,000 in 1940-41 and 200,000 in 1939-40.

The amount of taxes collected under the Carriers Taxing Act of 1937⁵ clearly reflects the changes in railroad employment. In 1941-42, collections amounted to \$170 million, or 24 percent more than the total for the preceding fiscal year (table 4). Inasmuch as the tax rate for each of these years was 3 percent each on employers and employees, the increase is due to the rise in employment during the year and also, in part, to the

⁵ For a summary of the tax provisions and the relation between tax collections and appropriations, see the appended Technical Notes.

Table 4.—Railroad retirement: Collections under the Carriers Taxing Act and total pay roll on which payable, fiscal years 1938-39—1941-42

Period	Tax collections ¹	Pay roll on which taxes were payable ²
Cumulative through June 1942.....	\$687.7	
Through June 1938.....	150.5	
Fiscal year:		
1938-39.....	109.3	\$1,986.5
1939-40.....	121.0	2,150.2
1940-41.....	136.9	2,282.4
1941-42.....	170.0	2,833.5

¹ Based on data from the Daily Statement of the U. S. Treasury.

² Figures do not correspond precisely to the total annual compensation earned in the railroad industry, since compensation in excess of \$300 per month per employee, consisting of about 1.5 percent of the total, is excluded, and since taxes collected in a given quarter refer to compensation earned in the preceding quarter.

increased carrier pay rolls resulting from the wage adjustment which became effective in September 1941. The estimated average annual pay roll assumed in the actuarial valuation of the retirement system as of December 31, 1938, was \$2.0 billion, and the original estimates of the cost of the system placed it at \$2.2 billion. The total pay roll on which taxes were payable in the fiscal year 1940-41 was almost \$2.3 billion and in 1941-42, more than \$2.8 billion.⁶

Aside from the effect which the level of employment will have on tax collections for the fiscal year 1942-43, collections for that year will increase because of the recent wage increases which will be in operation during the entire year, and also because, on January 1, 1943, the tax rate increases to a total of 6½ percent of earnings.

Railroad Retirement Account

For the fiscal year 1941-42 Congress approved an appropriation of \$141 million for benefit payments and investment and \$3.2 million for administrative expenses. Of the former, \$46.4 million was made available to the railroad retirement account on July 1, 1941, the amount representing the excess of the appropriation over estimated benefit payments for the entire year, plus the amount required to meet payments in the first quarter. The remaining \$94.5 million was transferred to the account in successive equal quarterly installments.

⁶ These figures do not correspond precisely to the total annual compensation earned in the railroad industry, since compensation in excess of \$300 for any month, consisting of about 1.5 percent of the total, is not taxable, and since taxes collected in a given quarter are based on compensation earned in the preceding quarter.

Through June 30, 1942, the Treasury had transferred for benefit payments and investments a total of more than \$639 million (table 5), an amount equal to the sum of all congressional appropriations to date. In addition, \$9.0 million was made available for payments to employers for the collection of service and compensation records prior to 1937, and \$16.3 million for administrative expenses of the retirement system incurred by the Board and the Treasury. The total made available to the railroad retirement system was thus almost \$665 million. Tax collections under the Carriers Taxing Act totaled almost \$688 million for the same period, or 3.5 percent in excess of appropriations.

In addition to the \$639 million transferred by the Treasury, the account had received, by June 30, 1942, a total of \$11.6 million in interest on investments in special 3-percent notes. Of these two amounts, \$557 million had been certified for benefit payments by June 30, 1942. The balance in the account as of that date was thus \$94.1 million, consisting of \$91.5 million in the special 3-percent Treasury notes and \$2.6 million in cash.

To obtain a more nearly accurate picture of the financial status of the system, three further factors must be taken into account: the excess of tax collections over transfers from the Treasury, amounting to \$23.1 million; a total of \$48.9 million in taxes which had accrued as of June 30 on 1941-42 pay rolls but were not paid until the first quarter of the current fiscal year; and, somewhat offsetting the first two, accrued obligations, amounting to approximately \$3.0 million, on payments with beginning dates prior to July 1, 1942, but not yet certified to the Treasury by the end of the year. The first item was included in the appropriation for the fiscal year 1942-43 and made

immediately available to the retirement system. If these factors are considered, the balance in the retirement account as of June 30, 1942, would be over \$163 million compared with \$107 million as of June 30, 1941, computed on the same basis.

Relatively high and increasing employment levels will undoubtedly continue for some time, and as long as such conditions prevail the financial status of the system will continue to improve. However, in estimating the adequacy of the reserve to meet future demands upon the system, the Board is fully aware of the necessity of taking a long-term view, which allows for alternating periods of low as well as high employment. Such an estimate must await the results of a new actuarial valuation of the railroad retirement system based on experience through 1941.

Administrative Expenses

There has been a steady decrease in the relative cost of administering the retirement system. Administrative expenses for 1941-42 totaled \$2.9 million, which was 2.3 percent of benefit payments. Administrative expenses for 1940-41 amounted to 2.4 percent of benefit payments and for the preceding year, 2.5 percent. For the entire period since the beginning of operations they have amounted to 2.9 percent.

A major factor in the cost of paying benefits is the necessity, in a large majority of the cases, of obtaining pay-roll and service records for service performed prior to 1937. The Board, with the aid of the railroads, is now engaged in a program of collecting such records for each individual who may ultimately become eligible for an annuity. For this purpose the \$9.0 million already mentioned was appropriated to compensate the rail-

Table 5.—Railroad retirement: Status of the railroad retirement account as of June 30, 1938-42

[In thousands]

Date	Balance in appropriation account	Receipts (cumulative)			Net benefit payments certified (cumulative) ²	Balance		
		Transfers from appropriation ¹	Interest on investments	Total		3-percent Treasury notes	Unobligated cash balance ³	Total
June 30:								
1938.....	\$94	\$146,406	\$1,411	\$147,817	\$87,169	\$66,200	-\$5,552	\$60,648
1939.....	11,250	253,500	3,613	257,113	194,301	67,200	-4,388	62,812
1940.....	10,750	374,150	5,895	380,045	308,326	79,400	-7,681	71,719
1941.....	0	498,500	8,429	506,929	430,126	74,000	2,803	76,803
1942.....	0	639,350	11,572	650,922	556,782	91,500	2,640	94,140

¹ In addition, \$9 million was transferred in October 1940 to prior-service account for collection of service and compensation data of railroad workers prior to 1937.

² Through June 1942, total is \$10.6 million in excess of amount of checks

cashed and returned to the Treasury. (See the Bulletin, August 1942, p. 74, table 8.)

³ Minus figures represent overdrafts pending transfers from appropriations.

roads for the work involved. The cost of adjudicating claims based on these records will come out of the appropriations for administrative expenses, but when the entire project is completed the cost of administration as a percent of benefit payments should be considerably reduced.

Technical Notes

Benefits Under the Railroad Retirement Act

The Railroad Retirement Act, as passed in 1935 and amended in 1937, established a Federal retirement system for railroad employees. Employers under the act include carriers—railroads, express companies, and sleeping-car companies, subject to part I of the Interstate Commerce Act; carrier affiliates which perform a service in connection with transportation by railroad—refrigerator-car loan companies, for example; organizations such as railroad or traffic associations maintained by two or more employers; and standard railway-labor organizations, national in scope. The act provides for five classes of retirement and survivor benefits:

(1) Employee annuities, both disability and old-age, based on an employee's years of service and average monthly compensation, exclusive of earnings above \$300 in any 1 month, with employers under the act.

The annuity is calculated by taking 2 percent of the first \$50 of the average monthly compensation, $1\frac{1}{2}$ percent of the next \$100, and 1 percent of the balance, and multiplying the sum of these three amounts by the number of years of credited service. The amount thus computed is applicable to age annuities at age 65 or over and to disability annuities at any age based on 30 years of service: In the case of age annuities at ages 60–64 based on 30 years of service and of disability annuities at ages 60–64 based on less than 30 years of service, the amount is subject to a deduction of $\frac{1}{150}$ for each month by which the age at the time the annuity begins to accrue falls short of 65. The formula may also be modified by the application of certain provisions for a minimum annuity. In determining the average monthly compensation on which the annuity is to be based, the average earned by the individual during the period 1924–31 is taken as applicable to his entire period of service prior to 1937, while the average for his period of service after 1936 is the actual average of monthly earnings. For the purpose of computing average monthly compensation and length of service, only months in which there was some employment are counted. Where service prior to 1937 is considered, only so much of it is credited as is required to bring the total service period to a maximum of 30 years. Service after the end of the month in which age 65 is attained is not credited,⁷ except that the compensation therefor may serve to increase the average compensation on which the annuity is based.

(2) Survivor annuities, paid to the surviving spouse of a deceased employee annuitant who had elected a reduced annuity during his or her lifetime in order to provide a lifetime annuity for a surviving spouse. The reduction in

⁷ Unless age 65 was attained prior to June 1937, in which case service is credited through that month.

the amount of employee annuity, which is in addition to any reduction for retirement before age 65, may be such as to provide the surviving spouse with an annuity equal to 50 percent, 75 percent, or 100 percent of the employee annuity.

(3) Death-benefit annuities, paid under the 1935 act to the surviving spouse or dependent next of kin of a deceased annuitant or of a deceased employee who at the time of his or her death was entitled to receive an annuity.⁸ An annuity of this type is equal to half the monthly amount (prior to any reduction because of joint and survivor election) paid or payable to the employee annuitant before his death, and is payable for 12 months only.

(4) Lump-sum death benefits, paid under the 1937 act to one or more designated beneficiaries or, in the absence of a designated beneficiary, to one or more of the deceased employee's surviving relatives, in a prescribed order of precedence. These benefits are equal to 4 percent of the compensation earned as an employee after December 31, 1936 (excluding compensation in excess of \$300 in any 1 month), less the aggregate amount of any employee or survivor annuities that may have been paid. If an employee annuitant has elected a joint and survivor annuity and is survived by his spouse, the death benefit is not payable until after the death of the spouse.

(5) Pensions paid under the 1937 act to individuals who were, on both March 1 and July 1, 1937, on the pension or gratuity rolls of employers under the act and who were not eligible on July 1, 1937, for annuities based in whole or in part on service prior to January 1, 1937. The pensions are equal in amount to the individual pensions or gratuities granted by employers, with the restoration of general reductions made after December 31, 1930, but cannot exceed \$120 a month.

Tax Collections and the Railroad Retirement Account

Three taxes are levied under the Carriers Taxing Act: (1) an excise tax on employers' pay rolls; (2) an income tax at an equal rate on employees; and (3) an income tax on employee representatives at twice the rate for employees. Compensation for any employee in excess of \$300 in any 1 calendar month is not taxable. The excise and income tax rates are as follows: Calendar years 1937–39, rate 2 $\frac{1}{4}$ percent; 1940–42, rate 3 percent; 1943–45, rate 3 $\frac{1}{4}$ percent; 1946–48, rate 3 $\frac{1}{2}$ percent; 1949 and subsequent years, rate 3 $\frac{1}{4}$ percent. Thus the total amount of the tax available for the first 3 years of the system was 5 $\frac{1}{2}$ percent of total employee compensation (with the \$300 limitation defined above), and for the year 1949 and thereafter it will be 7 $\frac{1}{2}$ percent.

Appropriations for benefit payments and for establishing a reserve under the Railroad Retirement Act are made by Congress annually on the basis of anticipated tax collections. Separate annual appropriations are made for administrative expenses.

Although the Railroad Retirement Act does not specify that appropriations for the retirement system should equal in amount the revenue received under the Carriers Taxing

⁸ Since substantially all annuities under the 1935 act have already been granted, in practical effect death-benefit annuities are payable only to survivors of annuitants under that act.

Act, that practice has, in fact, been followed. When existing legislation for the retirement system was enacted, the taxing act was separated from the act authorizing the payment of benefits in an effort to avoid the consequences of the decision of the Supreme Court in the first Railroad Retirement Act case. Collections under the Carriers Taxing Act are deposited in the general fund of the Treasury, and appropriations for benefit payments and investments and for administration are made out of that fund.

The Board prepares each year an estimate of tax collections under the Carriers Taxing Act for the coming fiscal year. After agreement has been reached with the Treasury on this amount, the estimate is presented to Congress. Congressional appropriations for benefits and investments and for administrative expenses under the Railroad Retirement Act have, in the past, been made in accordance with

these estimates. The amount appropriated for administrative expenses is deducted from total estimated collections, and the balance, adjusted for differences between previous tax collections and appropriations, constitutes the annual appropriation for benefit payments and investments.

This appropriation is credited to an appropriations account in the Treasury, from which transfers are made quarterly to a trust fund account as requested by the Railroad Retirement Board. The amount of each transfer not required for benefit payments for the first month of the quarter is invested in special 3-percent Treasury notes and converted into cash during the subsequent months as necessary. The excess of the transfers plus interest earned on the investments over the benefit payments makes up the balance remaining in the retirement account as a reserve fund.

PUBLIC ASSISTANCE

BUREAU OF PUBLIC ASSISTANCE

Removal of Enemy Aliens and Other Persons From Prohibited Areas

A Statistical Summary of Operations in Regions XI and XII, February-August 1942

From early February through the end of August, the Federal Security Agency provided services and financial assistance to enemy aliens and other persons (American-born Japanese) and their dependents removed from certain areas in Social Security Board Regions XI and XII, designated as prohibited areas by the Department of Justice and the Army. Operating responsibility for Agency activities, which were financed from a special allocation from the President's emergency fund, was carried by the Social Security Board through the Bureaus of Employment Security and Public Assistance. Both Bureaus provided services to persons affected by the declaration of prohibited areas; the Bureau of Public Assistance provided financial aid.

Operations in this area, which were concentrated almost entirely in Region XII, have been conducted under two plans.

Evacuation Under Department of Justice Orders

The first plan, under which operations began on February 9, was developed by the Social Security Board staff in Region XII to facilitate the removal of enemy aliens from areas designated by the Department of Justice as prohibited in California, Oregon, and Washington. German, Italian, and Japanese aliens residing in such areas were required to move therefrom by February 24 (February 15 for some areas). Although this plan was designed for operation in the three States with prohibited areas, the great majority of such areas were in California and actual operation proved to be necessary only in that State.

During the period in which relocation of enemy aliens was in process, i. e., February 9-24 and in the following period extending through March 7, the public assistance aspects of the plan were administered by a federally employed staff drawn

largely from State and local public and private welfare agencies. Effective March 9, under an agreement with the regional office in San Francisco, the California Department of Social Welfare assumed responsibility for providing services and assistance to enemy aliens in need because of the declaration of prohibited areas by the Department of Justice; the expense of continuing the plan was to be met from Federal funds.

Summary data on the volume of services and assistance provided during the period February 9-August 29 are presented in table 1. Weekly data on operations of the California Department of Social Welfare during the 25-week period ended August 29 appear in table 2.

Evacuation Under Army Orders

The second plan, which was initiated early in March, encompasses the operations of the War-time Civil Control Administration, which was created under the Western Defense Command and Fourth Army to effectuate the removal of enemy

Table 1.—*Evacuation under Department of Justice orders: Summary of operations,¹ February 9-August 29, 1942*

Operating agency and period of operation	Cases accepted for—		Financial assistance			
	Information only contacts	Minor service ²	Major service ³	Number receiving assistance		
				Cases	Persons	Amount of assistance
Total.....	4,982	5,684	594	4,341	4,1,049	\$29,141
Social Security Board, Bureau of Public Assistance staff, Feb. 9-Mar. 7.....	4,982	5,462	335	4,149	4,513	5,217
California State Department of Social Welfare, Mar. 9-Aug. 29.....	0	222	259	4,276	4,823	23,924

¹ All operations took place in California.

² Completed on day of initial contact.

³ Extended beyond day of initial contact.

* Represents unduplicated total during specified period.

Table 2.—Evacuation under Department of Justice orders: Operations under supervision of California Department of Social Welfare, by week, March 9-August 29, 1942

Week ended—	New cases accepted for—		Cases receiving assistance	Amount of assistance
	Minor service ¹	Major service ¹		
Total.....	222	259	276	\$23,924
Mar. 14.....	35	12	15	459
Mar. 21.....	50	20	65	2,225
Mar. 28.....	43	25	47	1,194
Apr. 4.....	50	20	47	1,363
Apr. 11.....	15	15	31	800
Apr. 18.....	0	19	34	1,438
Apr. 25.....	5	19	89	3,342
May 2.....	0	27	47	1,570
May 9.....	1	15	28	828
May 16.....	2	6	29	1,056
May 23.....	3	9	49	1,648
May 30.....	0	25	30	1,109
June 6.....	0	5	14	466
June 13.....	5	5	28	783
June 20.....	0	2	24	707
June 27.....	7	6	13	473
July 4.....	0	4	20	624
July 11.....	0	2	16	511
July 18.....	3	7	18	492
July 25.....	0	4	11	373
Aug. 1.....	1	3	28	966
Aug. 8.....	0	3	12	376
Aug. 15.....	0	3	15	479
Aug. 22.....	2	3	11	370
Aug. 29.....	0	0	8	272

¹ Completed on day of initial contact.

² Extended beyond day of initial contact.

³ Represents unduplicated total.

aliens and persons of Japanese ancestry from prohibited areas designated by the Army in Arizona, California, Idaho, Montana, Nevada, Oregon, Utah, and Washington.

The plan developed by the WCCA, which assigned operating responsibilities to a number of civil Federal agencies, including the Federal Security Agency, provided for two types of evacuation: (a) voluntary evacuation on the basis of individual plans prior to the issuance of Army orders applying to specific groups in specific areas, and (b) controlled removal, under exclusion orders issued by the Army, to reception centers or to temporary assembly points pending eventual removal to reception centers. These two types of evacuation were to be facilitated by the operation of WCCA service offices and WCCA civil control stations. Although the civil control stations performed functions only in connection with controlled removal, the service offices participated in both types of evacuation.

The activities of the public assistance staff in the service offices and the control stations consisted of interviewing and registering persons affected by the various proclamations and exclusion orders,

giving family counseling service for interpretation of individual or family situations in relation to the whole evacuation plan, and granting necessary financial assistance.

Operations of WCCA Service Offices

WCCA service offices were put into operation in Arizona, California, Oregon, and Washington; most of them were located in U. S. Employment Service offices. They were staffed with representatives of the Bureaus of Employment Security and Public Assistance, and with representatives of the Farm Security Administration and Federal Reserve Bank who were responsible for services related to the disposition or conservation of farm property and all other types of property and assets, respectively.

Until early in June, service offices were in operation only in military area 1 (roughly the western halves of California, Oregon, and Washington, and the southern half of Arizona) within which the great majority of the West Coast Japanese resided. Unrestricted voluntary removal from this area was not permitted to the Japanese (both aliens and citizens) after March 29. Effective June 2, 1942, the Western Defense Command similarly prohibited the voluntary removal of all persons of Japanese ancestry living in that part of military area 2 represented by the eastern half of California. The first of these limitations on voluntary removal of the Japanese coincided with the initiation of the controlled removal of such persons from military area 1, while the second forecast the extension of the controlled removal process to Japanese residing in the eastern half of California.

Operations of the public assistance staff in

Table 3.—Evacuation under Army orders: Operations of public assistance staff in Wartime Civil Control Administration service offices facilitating voluntary and controlled evacuation, by State, March 18-August 31, 1942

State	Number of service offices ¹	Cases registered	Cases receiving assistance	Amount of assistance ¹
Total.....	49	10,828	438	\$16,606
Arizona.....	1	76	4	80
California.....	41	9,372	349	12,198
Oregon.....	2	979	13	241
Washington.....	5	401	72	4,087

¹ Represents largest number of service offices in operation at any 1 time.

² Provided from special allocation to Federal Security Agency, largely subject to reimbursement by WCCA.

Table 4.—Evacuation under Army orders: Operations of public assistance staff in Wartime Civil Control Administration service offices facilitating voluntary and controlled evacuation, by week, March 18–July 18, and July 20–August 31, 1942¹

Week ended—	Number of new cases registered	Cases receiving assistance	Amount of assistance ²
Total.....	10,828	438	\$16,606
Mar. 21.....	289	0	0
Mar. 28.....	2,760	67	3,967
Apr. 4.....	2,084	6	383
Apr. 11.....	2,559	17	1,225
Apr. 18.....	1,488	18	866
Apr. 25.....	492	29	1,404
May 2.....	284	31	1,563
May 9.....	104	85	2,773
May 16.....	53	9	310
May 23.....	31	23	411
May 30.....	10	21	466
June 6.....	71	24	620
June 13.....	231	13	235
June 20.....	168	15	196
June 27.....	97	19	245
July 4.....	17	14	347
July 11.....	34	21	710
July 18.....	22	7	261
July 20–Aug. 31.....	34	34	624

¹ Figures represent totals for 4 States—Arizona, California, Oregon, and Washington.

² See table 3, footnote 2.

³ Represents unduplicated total.

WCCA service offices during the period from the opening of the first of such offices on March 18 through the completion of operations on August 31 are shown in tables 3 and 4. An analysis of the assistance operations in these offices, showing the distribution of the assistance provided between voluntary and controlled evacuation, appears in table 5.

Table 5.—Evacuation under Army orders: Analysis of assistance granted by public assistance staff in Wartime Civil Control Administration service offices, by type of evacuation and group assisted, March 18–August 31, 1942

Type of evacuation, military area, and group assisted ¹	Cases receiving assistance	Amount of assistance ¹
Total.....	438	\$16,606
Voluntary evacuation.....	157	11,901
Germans.....	11	1,443
Italians.....	1	50
Japanese, through Mar. 29, 1942.....	85	5,593
Japanese, after Mar. 29, 1942 ²	60	4,815
Controlled removal ³	281	4,705
Military area 1:		
Advanced work crews.....	70	1,664
Delayed evacuees.....	134	1,988
Evacuees aided in preparation for removal.....	40	552
Military area 2:		
Advanced and delayed evacuees.....	37	501

¹ See table 3, footnote 2.

² Exempted from controlled removal by special permits.

³ Applicable only to persons of Japanese ancestry.

Some of the public assistance staff in WCCA service offices were carried over from the removal plan under Department of Justice orders; the bulk of this staff, however, was recruited by State and local assistance agencies.

The Federal Security Agency is being reimbursed by the WCCA for all administrative expenses of Agency activities in WCCA service offices. The assistance provided through such offices, however, is not reimbursable in its entirety by the WCCA. Reimbursable expenditures represent mainly those for transportation of persons, necessary allowances for maintenance en route, and expenditures for crating and transporting household goods.

Operations of WCCA Civil Control Stations

Army exclusion orders have thus far applied only to persons of Japanese ancestry living in military area 1 and in that portion of military area 2 represented by the eastern half of California. The

Table 6.—Evacuation under Army orders: Operations of public assistance staff in Wartime Civil Control Administration civil control stations effectuating controlled removals,¹ by military area and State, March 25–August 7, 1942

Military area and State	Number of civil control stations	Cases and persons registered ²			Cases receiving assistance ³	Amount of assistance ⁴	
		Cases	Persons				
			Total	Aliens	Citizens		
Total.....	123	28,772	106,631	36,590	70,041	872 \$9,865	
Military area 1, Mar. 25–June 6.....	114	26,385	97,601	33,639	64,052	723 9,171	
Arizona.....	2	64	224	83	141	0 0	
California.....	78	21,564	81,084	27,475	53,609	633 8,532	
Oregon.....	10	1,161	3,706	1,409	2,297	14 81	
Washington.....	24	3,506	12,677	4,672	8,005	76 558	
Military area 2, July 4–Aug. 7 ⁴	9	2,387	8,940	2,951	5,989	149 694	

¹ Applicable to Japanese only.

² Represents numbers of cases and persons removed; exclude "advanced" and "delayed" evacuees whose controlled removal was effectuated through WCCA service offices.

³ Provided from special allocation to Federal Security Agency, subject to reimbursement by WCCA.

⁴ Applicable only to that part of area represented by eastern half of California.

removal of the Japanese from military area 1, within which the great majority of such persons resided, was initiated toward the close of March and was completed early in June. The first exclusion orders applicable to Japanese living in the eastern half of California were issued early in July, and removal operations were completed early in August.

Table 7.—Evacuation under Army orders: Summary of controlled removal of Japanese from West Coast and Alaska, by military area and type of removal, March 25–August 31, 1942

Military area and type of removal	Cases and persons registered and removed			Cases receiving assistance	Amount of assistance ¹	
	Cases	Persons				
		Total	Allens	Citizens		
Total.....	29,495	108,412	37,096	71,316	1,113 \$14,018	
Military area 1.....	27,003	98,225	34,076	65,149	927 \$12,823	
Advanced removal.....	235	910	252	658	70 1,664	
Exclusion orders 1-99.....	26,385	97,691	33,639	64,052	723 9,171	
Delayed removal.....	383	624	185	439	134 1,988	
Military area 2 ²	2,433	9,050	2,993	6,057	186 1,195	
Exclusion orders 100-108.....	2,387	8,940	2,951	5,989	149 694	
Advanced and delayed removal.....	46	110	42	68	37 501	
Alaska.....	59	137	27	110	0 0	

¹ See table 3, footnote 2.

² In addition, 40 cases received assistance amounting to \$552 for preparation for controlled removal from military area 1.

³ Applicable only to that part of area represented by eastern half of California.

WCCA civil control stations, through which practically all controlled removals were implemented, were operated only long enough to complete the removal process, generally for about 6 days. In staffing such offices, the Bureau of Employment Security provided clerical staff and designated an office manager who was responsible for coordinating the operations performed by civil agencies and for administrative management of the stations. The Bureau of Public Assistance, U. S. Public Health Service, Farm Security Administration, Federal Reserve Bank, and the Provost Marshal of the Army provided representatives who were responsible for the performance of their respective functions in the control stations.

Summary data on the operations of the public assistance staff in the 123 civil control stations completing the controlled removals from military

area 1 during the period March 25–June 6 and from that part of military area 2 represented by the eastern half of California during the period July 4–August 7 are shown in table 6.

The public assistance staff in WCCA civil control stations was recruited by State and local assistance agencies, with members of the regional staff of the Bureau of Public Assistance performing supervisory, planning, and liaison functions.

Practically all the costs of assistance provided by the Federal Security Agency under civil control station operations, as well as administrative costs incurred through Agency participation in such operations, are reimbursable by the WCCA.

Summary Data on Controlled Removal of Japanese and Assistance Provided Under WCCA Operations

During the period in which removal operations were in progress in Arizona, California, Oregon, and Washington, persons of Japanese ancestry were likewise removed from Alaska. Data on removal operations in Alaska are shown in table 7, which summarizes the controlled removal of Japanese in that area and on the West Coast.

Summary data on assistance operations in WCCA service offices and civil control stations are presented in table 8.

Table 8.—Evacuation under Army orders: Summary of assistance provided by public assistance staff under operations of Wartime Civil Control Administration, by type of evacuation, March 18–August 31, 1942

Type of evacuation	Cases receiving assistance	Amount of assistance ¹
Total.....	1,310	\$26,471
Voluntary evacuation ²	157	11,901
Controlled removal.....	1,153	14,570
Service offices.....	281	4,706
Civil control stations.....	872	9,865

¹ See table 3, footnote 2.

² Facilitated through WCCA service offices only.

Statistics for the United States

In August, public assistance and earnings under the Federal work programs in the continental United States amounted to \$110 million, 8.6 percent less than in July 1942 and 32 percent below August 1941 expenditures. The August 1942 total was the smallest since October 1933 and represents a drop of 64.4 percent from the largest monthly total of \$308 million, reached in January 1934 during peak employment under the Civil Works Program, and 63.9 percent from the next largest total of \$304 million in December 1938.

All three of the special types of public assistance changed less than 1 percent from the previous month in either recipients or payments; payments for each program and recipients of aid to the blind increased, but recipients of old-age assistance and aid to dependent children declined. The decrease in recipients of aid to dependent children represented the fifth consecutive monthly decline.

General assistance cases declined 2.8 percent and payments 2.5 percent. Persons employed on projects of the Work Projects Administration were fewer by 15 percent, and total earnings dropped 25 percent.

The special types of public assistance accounted for 60 percent of total expenditures for the month, general assistance for 12 percent, and the WPA program for 28 percent.

In States with plans approved by the Social Security Board in both months, the number of recipients of old-age assistance in August 1942 was larger than in August 1941 in 27 States; the number receiving aid to the blind, in 23 States; and the number of families receiving aid to dependent children, in only 12 States. Alabama, Arkansas, and Nevada were the only States reporting a larger number of cases receiving general assistance.

Chart 1.—Public assistance and Federal work programs: Payments to recipients and earnings of persons employed in the continental United States, January 1933–August 1942

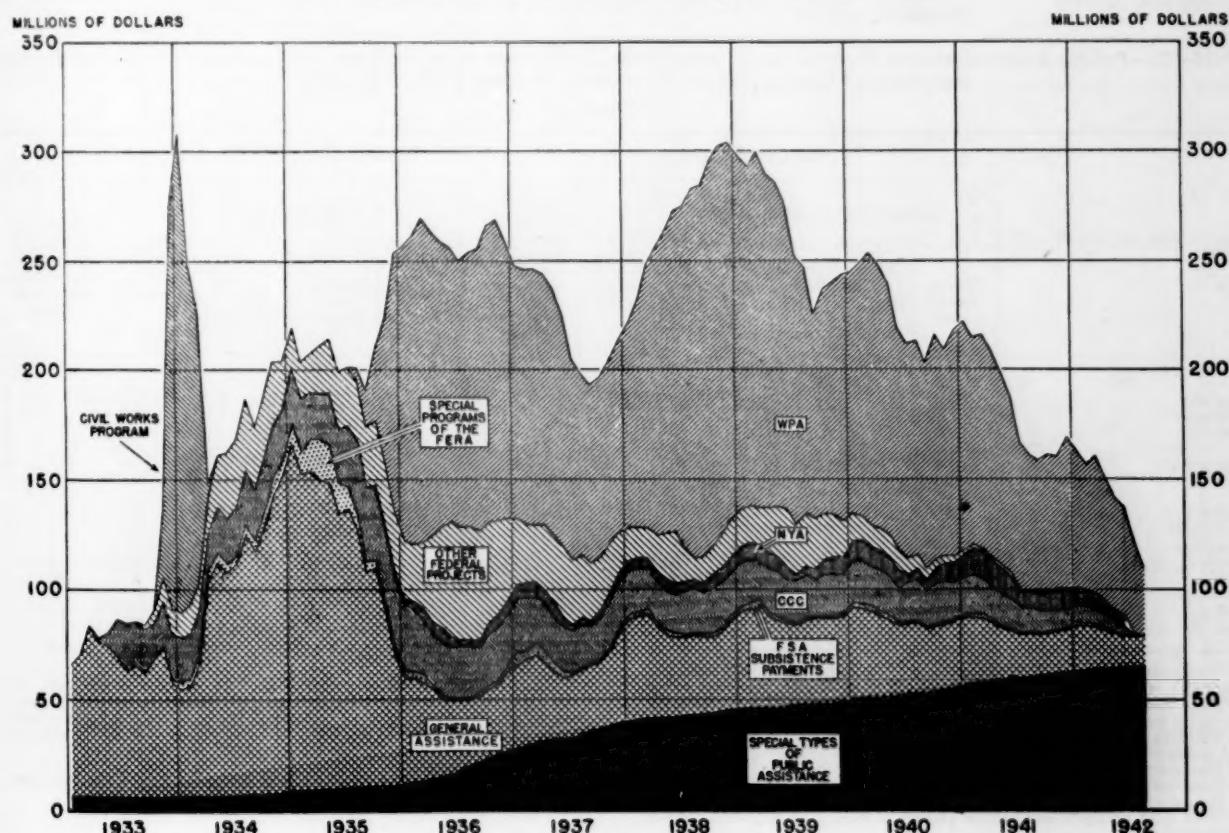


Table 1.—Public assistance and Federal work programs: Assistance and earnings in the continental United States, by month, August 1941–August 1942¹

[In thousands]

Year and month	Total	Assistance to recipients					Earnings of persons employed under Federal work programs				
		Special types of public assistance			General assistance ²	Subsistence payments certified by the Farm Security Administration ³	Civilian Conservation Corps ⁴	National Youth Administration ⁵		Work Projects Administration ⁶	Other Federal agency projects financed from emergency funds ⁷
		Old-age assistance	Aid to dependent children	Aid to the blind				Student work program	Out-of-school work program		
1941											
August	\$161,142	\$45,694	\$12,575	\$1,905	\$19,645	\$442	\$11,430	\$1	\$7,507	\$61,156	\$787
September	158,786	46,190	12,565	1,910	18,503	318	10,665	150	7,384	60,439	642
October	161,337	46,863	12,701	1,949	18,570	372	9,616	1,731	7,115	61,976	494
November	160,420	47,236	12,842	1,969	18,440	509	9,572	2,364	7,419	59,746	323
December	169,890	47,523	13,111	1,993	19,477	748	8,448	2,290	6,849	68,971	480
1942											
January	162,106	47,931	13,310	2,029	20,141	1,404	7,686	1,842	5,747	61,763	253
February	157,488	48,522	13,553	2,017	19,225	1,663	7,135	1,675	5,656	57,807	235
March	159,470	48,283	13,639	2,029	18,820	1,383	6,332	1,670	5,407	61,736	121
April	150,349	48,458	13,591	2,037	17,182	907	5,071	1,637	5,101	56,306	39
May	141,426	48,903	13,451	2,038	15,394	496	4,262	1,555	4,787	50,506	34
June	135,011	49,128	13,321	2,054	14,149	418	3,167	956	4,929	46,861	28
July	120,016	49,578	13,219	2,055	13,055	(*)	(*)	0	(*)	41,517	(*)
August	109,679	50,031	13,330	2,070	13,310	(*)	(*)	0	(*)	30,938	(*)

¹ Partly estimated and subject to revision. For 1933 data, see the Bulletin, February 1941, p. 66; for January 1934–July 1941, see the Bulletin, February 1942, pp. 26–27. For definitions of terms, see the Bulletin, September 1941, pp. 50–52; see also footnotes 4, 6, and 7.

² Effective July 1, 1942, the term "general relief" has been changed to "general assistance," but coverage of program has not been changed.

³ Data from the FSA.

⁴ Data from the CCC. Beginning July 1941, earnings of persons enrolled estimated by the CCC by multiplying average monthly number of persons enrolled by average of \$67.20 for each month for enrollees other than Indians and \$60.50 for Indians.

⁵ Data from the NYA.

⁶ Data from the WPA. Beginning July 1942, represents expenditures (approved vouchers) for labor during month.

⁷ Data from the Bureau of Labor Statistics. Beginning October 1941, represents earnings on projects financed from PWA funds only; data not available for other Federal agency projects financed under Emergency Relief Appropriation acts, but latest available reports showed total monthly earnings of approximately \$100,000.

⁸ Excludes earnings of Indian enrollees for which data are not available; latest available reports showed total monthly earnings of approximately \$363,000.

⁹ For changes in series, see the Bulletin, September 1942, pp. 32 ff.

Table 2.—Public assistance and Federal work programs: Recipients of assistance and persons employed in the continental United States, by month, August 1941–August 1942¹

[In thousands]

Year and month	Recipients of assistance					Persons employed under Federal work programs				
	Special types of public assistance			Cases receiving general assistance ²	Cases for which subsistence payments were certified by the Farm Security Administration ³	Civilian Conservation Corps ⁴	National Youth Administration ⁵		Work Projects Administration ⁶	Other Federal agency projects financed from emergency funds ⁷
	Old-age assistance	Aid to dependent children	Aid to the blind				Student work program	Out-of-school work program		
1941										
August	2,195	386	931	74	859	18	171	(*)	315	1,015
September	2,205	384	926	75	818	11	159	34	308	1,007
October	2,214	385	928	76	796	13	144	273	288	1,009
November	2,224	385	928	77	782	16	143	341	303	1,027
December	2,234	390	941	77	798	26	126	333	283	1,023
1942										
January	2,240	396	953	67	836	42	115	306	234	995
February	2,241	399	960	78	817	46	107	250	231	998
March	2,245	401	965	78	785	38	95	247	220	933
April	2,245	401	963	78	723	21	76	237	205	837
May	2,248	399	958	79	657	14	64	215	181	759
June	2,250	395	949	79	607	12	947	135	184	671
July	2,249	390	937	79	566	(*)	(*)	0	(*)	505
August	2,248	386	928	79	550	(*)	(*)	0	(*)	428

¹ Partly estimated and subject to revision. For 1933 data, see the Bulletin, February 1941, p. 68; for January 1934–July 1941, see the Bulletin, February 1942, pp. 28–29. For definitions of terms, see the Bulletin, September 1941, pp. 50–52; see also footnotes 5 and 7.

² Effective July 1, 1942, the term "general relief" has been changed to "general assistance," but coverage of program has not been changed.

³ Data from the FSA.

⁴ Data from the CCC.

⁵ Data from the NYA. Beginning July 1941, number employed on out-of-school work program based on an average of weekly employment counts during month.

⁶ Data from the WPA.

⁷ Data from the Bureau of Labor Statistics. Beginning October 1941, represents employment on projects financed from PWA funds only; data not available for other Federal agency projects financed under Emergency Relief Appropriation acts, but latest available reports showed total monthly employment of approximately 1,000.

⁸ Less than 500 persons.

⁹ Excludes Indian enrollees for which data are not available; latest available reports showed total monthly employment of approximately 6,000.

¹⁰ For changes in series, see the Bulletin, September 1942, pp. 32 ff.

Table 3.—Special types of public assistance: Recipients and payments to recipients in States with plans approved by the Social Security Board, by month, August 1941–August 1942¹

Year and month	Number of recipients			Amount of payments to recipients			
	Old-age assistance	Aid to dependent children		Aid to the blind	Total	Old-age assistance	Aid to dependent children
		Families	Children				
1941							
August	2,198,060	374,473	905,691	50,208	\$59,247,233	\$45,763,237	\$12,299,742
September	2,208,127	372,366	901,151	50,412	59,748,353	46,258,788	12,295,936
October	2,217,351	380,895	919,682	51,701	60,769,958	46,932,298	12,606,360
November	2,227,616	381,191	919,944	52,187	61,311,517	47,305,062	12,759,465
December	2,237,842	387,160	934,983	52,616	61,924,352	47,592,299	13,068,695
1942							
January	2,243,339	393,109	947,970	53,095	62,550,649	48,001,120	13,271,190
February	2,244,703	396,417	954,865	53,455	63,396,366	48,592,406	13,511,395
March	2,248,637	398,533	959,196	53,764	63,252,291	48,353,231	13,597,643
April	2,248,480	397,724	956,922	53,914	63,387,765	48,528,225	13,549,280
May	2,250,988	395,742	952,038	54,129	63,691,944	48,973,118	13,405,449
June	2,253,308	392,182	943,080	54,378	63,799,817	49,197,634	13,276,979
July	2,252,097	386,800	930,621	54,480	64,155,411	49,648,127	13,173,249
August	2,250,892	383,459	921,421	54,601	64,727,515	50,102,706	13,283,744

¹ For definitions of terms, see the Bulletin, September 1941, pp. 50–52.

Chart 2.—Special types of public assistance and general assistance: Index of payments to recipients in the continental United States, January 1933–August 1942

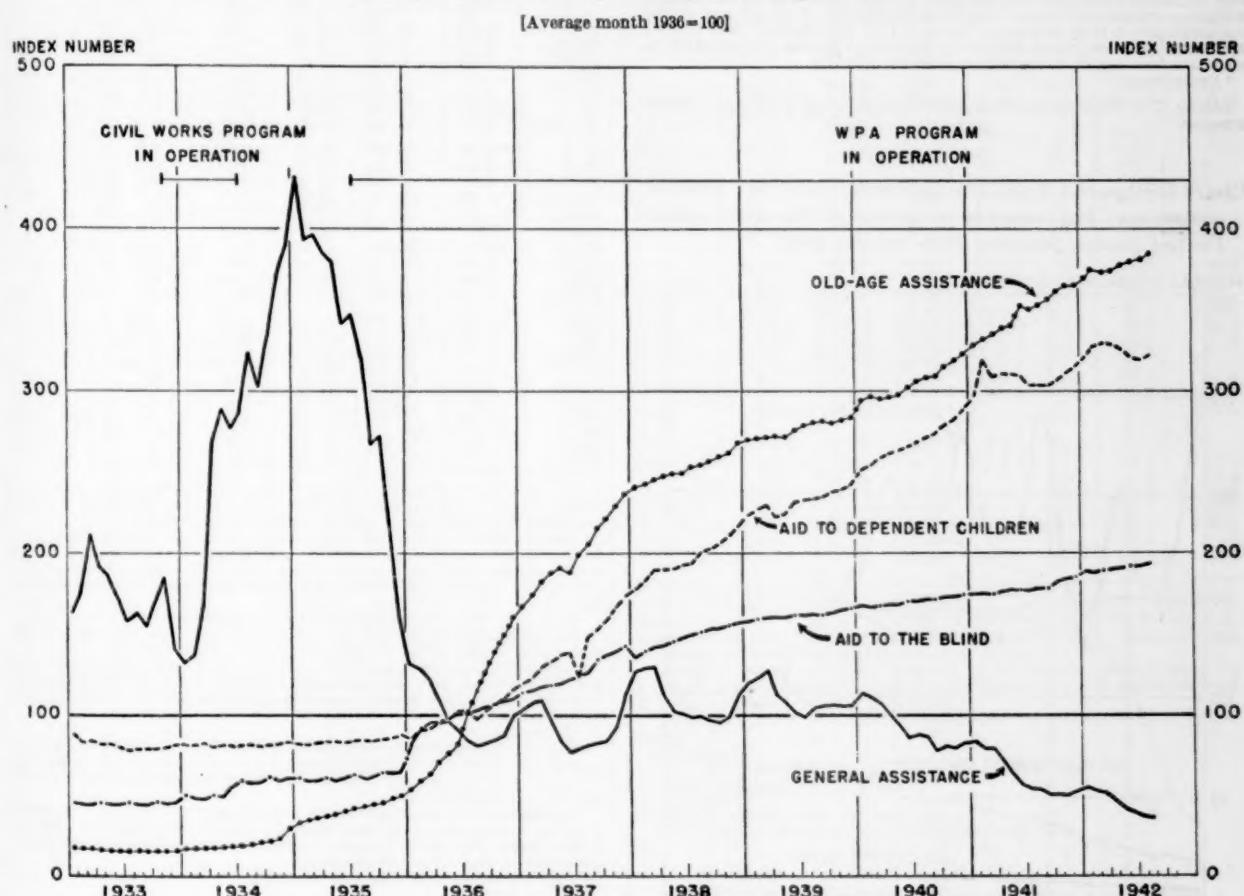


Table 4.—Food stamp plan: Number of areas included and participants, and value of stamps issued in the continental United States, by month, August 1941-August 1942¹

Year and month	Number of areas included ²	Number of participants ³		Value of food stamps issued
		Cases	Persons	
1941				
August	388	1,152,431	3,706,800	\$9,782,709
September	389	1,122,628	3,598,200	9,645,306
October	390	1,083,306	3,447,700	9,078,800
November	390	1,061,094	3,331,300	8,803,766
December	398	1,044,201	3,459,400	9,395,102
1942				
January	399	1,095,636	3,528,100	9,428,392
February	1,307	1,115,946	3,589,600	9,605,399
March	1,388	1,092,103	3,584,000	9,783,140
April	1,458	1,043,931	3,322,700	9,246,138
May	1,481	986,175	3,064,000	8,718,110
June	1,528	925,010	2,854,100	8,133,159
July	1,533	851,471	2,599,700	7,674,472
August ⁴	1,559	837,009	2,474,400	7,269,061

¹ Data exclude persons receiving commodities under direct distribution program of the Agricultural Marketing Administration and value of such commodities.

² Through January 1942, an area represents a city, county, or group of counties; beginning with February 1942, an area represents a county or city.

³ Includes recipients of 3 special types of public assistance and of subsistence payments from the FSA; recipients of, and those eligible for, general assistance; persons certified as in need of assistance and employed on or awaiting assignment to projects financed by the WPA. Includes for 1 area (Shawnee, Okla.) some low-income families having weekly income of less than \$19.50 who have been eligible to participate since October 1939.

⁴ Preliminary.

Source: U. S. Department of Agriculture, Agricultural Marketing Administration.

Chart 3.—Special types of public assistance and general assistance: Payments to recipients in the continental United States, January 1936-August 1942

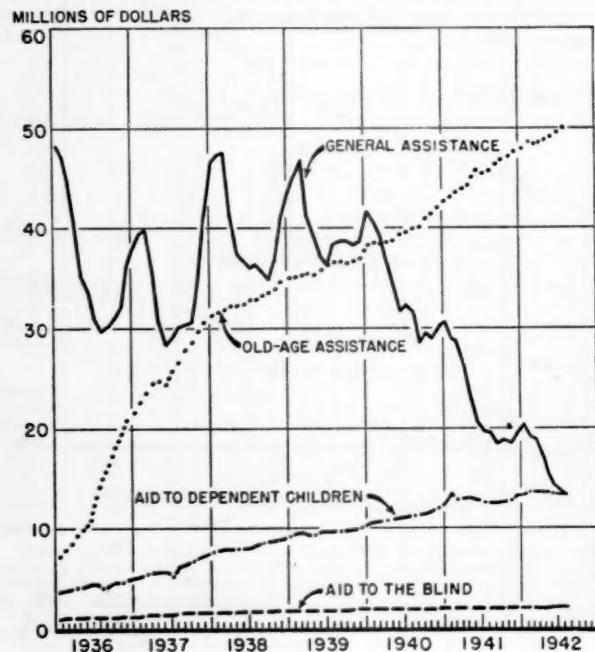


Table 5.—General assistance: Cases and payments to cases in the continental United States, by State, August 1942¹

State	Number of cases receiving assistance	Amount of payments to cases	Average payment per case	Percentage change from—			
				July 1942 in—	August 1941 in—	Number of cases	Amount of payments
Total ²	550,000	\$13,310,000	\$24.19	-2.8	-2.5	36.0	-32.3
Ala.	2,403	23,257	9.68	+2.0	+2.5	+2.2	+10.2
Ariz.	2,622	52,239	19.92	-5	-5	-8.1	+3.2
Ark. ³	3,891	24,577	6.32	+2.7	+2.1	+19.1	+63.8
Calif.	22,740	539,852	23.74	-7.5	-8.7	-46.1	-48.3
Colo. ⁴	7,301	133,564	18.29	-5.9	-6.0	-14.5	+9
Conn.	4,720	128,764	27.28	-3.4	-3.6	-39.2	-37.2
Del.	484	9,523	19.68	-3.4	-4.6	-40.1	-40.2
D. C.	1,472	37,108	25.21	-4.4	-1.9	-33.8	-31.9
Fla.	6,698	48,323	7.21	+8	-5	-20.9	-20.7
Ga.	4,739	37,070	7.82	-1.3	+1.0	-18.9	-3.8
Idaho ⁵	1,069	16,438	15.38	-1.5	-1.3	-24.2	-13.8
Ill.	68,287	1,797,837	26.33	-6	+2.8	-38.6	-25.4
Ind. ⁶	13,725	199,605	14.54	-4.6	-7.2	-42.2	-35.4
Iowa	11,969	182,807	15.27	-1.9	+1.7	-32.4	-30.5
Kans.	7,398	131,818	17.82	-5.4	-4.6	-36.9	-26.9
Ky.	3,300	* 34,000					
La. ⁷	778	20,071	25.80	+4.3	+4.1	-93.6	-89.7
Maine	3,713	84,234	22.69	-6.1	-5.8	-36.9	-30.8
Md.	5,842	128,346	21.97	-1.5	-1.3	-17.5	-12.6
Mass.	25,836	633,892	24.54	-1.8	-7.6	-29.8	-28.8
Mich.	23,361	530,438	22.71	-3.7	-6.7	-24.4	-17.6
Minn.	13,545	268,762	19.84	-4.1	-5.1	-36.8	-37.8
Miss.	633	3,029	4.79	+10.9	+1.6	-9.6	+23.3
Mo. ⁸	12,869	188,882	14.68	-1.0	+1.0	-20.7	-7.1
Mont.	1,776	29,007	16.33	-6.3	-6.5	-32.5	-22.9
Nebr.	3,704	44,790	12.09	-6.4	-4.0	-32.4	-24.8
Nev.	481	5,775	12.01	+13.2	-3.0	+1.9	-14.0
N. H.	2,637	61,682	23.39	-1.3	+5.4	-41.1	-28.0
N. J.	15,368	351,468	22.87	-2.1	-3.7	-38.3	-36.2
N. Mex. ⁹	1,146	11,493	10.03	-3.3	+1.0	-28.8	+13.0
N. Y.	134,481	5,119,808	38.07	-3.8	-1.7	-30.2	-29.5
N. C.	3,590	25,725	7.17	-2.0	-7.9	-13.2	-8.4
N. Dak.	1,427	21,547	15.10	-15.7	-14.2	-24.8	-18.7
Ohio	28,965	545,433	18.82	0	-2.6	-36.1	-30.4
Okl.	7,544	37,790	(*)	(*)	+28.3	(*)	+1.4
Oreg.	3,571	81,528	22.83	-6.5	-2.7	-38.0	-18.8
Pa.	46,715	916,636	19.62	+1	-1.8	-56.0	-57.9
R. I. ¹⁰	3,387	117,034	34.55	-5.6	-8.6	(*)	-10.4
S. C.	2,349	20,551	8.75	+3.4	+3.1	-9	+4.5
S. Dak.	1,816	25,991	14.31	-18.7	-15.0	-30.0	-23.1
Tenn.	2,000	* 15,000					
Tex.	6,287	60,864	9.68	+9.0	+6	-29.7	-25.5
Utah	2,558	70,664	27.62	-4.0	-3.2	-46.8	-45.2
Vt.	1,144	23,416	20.47	-1.7	-1.8	-18.0	-3.9
Va.	4,168	44,183	10.60	-3.8	-1.9	-18.9	-13.8
Wash.	5,201	128,671	24.74	-5.9	-6.3	-34.0	-4
W. Va.	11,624	130,246	11.20	-1.0	+1.1	-1.9	+9.5
Wis.	13,551	286,172	21.12	-7.3	-14.5	-35.8	-32.7
Wyo.	643	11,840	18.41	-6.0	-4.8	-19.5	

¹ For definitions of terms, see the Bulletin, September 1941, pp. 50-52. Effective July 1, 1942, the term "general relief" has been changed to "general assistance," but coverage of program has not been changed.

² Partly estimated; does not represent sum of State figures, because an estimated number of cases receiving medical care, hospitalization, and/or burial only and total payments for these services in 3 States have been excluded, and data on cases aided in Oklahoma estimated to exclude duplication.

³ State program only; excludes program administered by local officials.

⁴ Includes unknown number of cases receiving medical care, hospitalization, and/or burial only, and total payments for these services.

⁵ Excludes assistance in kind and cases receiving assistance in kind only and, for a few counties, cash payments and cases receiving cash payments. Amount of payments shown represents approximately 70 percent of total expenditures.

⁶ Estimated.

⁷ Represents assistance to employables in New Orleans and a small amount in scattered parishes; State-wide program discontinued as of June 30, 1942.

⁸ Includes cases receiving medical care only; number believed by State agency to be insignificant.

⁹ Represents 3,255 cases aided under program administered by State board of public welfare, and 4,289 cases aided by county commissioners; amount of duplication believed to be large; average per case and percentage change in number of cases cannot be computed.

¹⁰ July report incomplete for some counties.

¹¹ Partly estimated.

¹² Comparable data not available.

Table 6.—Old-age assistance: Recipients and payments to recipients, by State, August 1942¹

State	Number of recipients	Amount of payments to recipients	Average payment per recipient	Percentage change from—			
				July 1942 in—		August 1941 in—	
				Number of recipients	Amount of payments	Number of recipients	Amount of payments
Total ²	2,250,892	\$50,102,706	\$22.26	-0.1	+0.9	+2.4	+9.5
Ala.	21,903	215,480	9.84	+1.1	+1.9	+8.1	+16.5
Alaska	1,563	46,181	29.55	+1	+4	-4	+1.0
Ariz.	9,548	330,627	34.63	+2	+6	+6.4	+10.0
Ark.	25,151	216,344	8.60	-8	+2.9	-2.7	+9.5
Calif.	156,602	5,710,169	36.46	-2	-2	-7	-7
Colo.	42,516	1,575,699	37.06	-4	+11.8	-2	+16.1
Conn.	17,460	516,368	29.58	-4	(*)	-8	+4
Del.	2,265	29,370	12.97	-1.7	-1.4	-8.7	+8
D. C.	3,515	93,054	26.47	-1.4	-1.1	+2	+2.8
Fla.	43,549	622,182	14.29	+4	+6	+14.8	+24.7
Ga.	67,845	605,306	8.92	+1.0	+1.4	+29.4	+37.7
Hawaii	1,655	25,343	15.31	-1.2	+6.3	-10.0	+8.4
Idaho	9,825	241,724	24.60	-6	+3.3	+3.2	+11.7
Ill.	150,710	4,062,688	26.96	+1	+1.1	+1.7	+16.3
Ind.	70,291	1,409,312	20.05	-2	+6	+3.2	+11.4
Iowa	50,259	217,477	21.63	-2	+1	-1.4	+1.7
Kans.	31,039	702,141	22.62	-1	+9	+5.4	+18.7
Ky.	55,379	561,089	10.13	-1.3	(*)	-5.8	+6.6
La.	35,858	479,770	13.38	+3	+4	+6	+2.1
Maine	16,014	342,162	21.37	+3	+7	+18.1	+20.7
Md.	16,098	311,160	19.33	-1.5	-8	-9.1	-2.3
Mass.	86,192	2,870,303	33.37	(*)	+5	-1.2	+14.1
Mich.	91,439	1,831,191	20.03	-5	+3	+1	+15.2
Minn.	62,928	1,411,015	22.42	-1	+3	-6	+3.6
Miss.	26,782	241,918	9.03	+4	+4	-3	+2.3
Mo.	114,482	1,549,975	13.54	-4	+2	-1.1	+4.9
Mont.	12,459	284,436	22.87	-2	+5	-6	+10.3
Nebr.	29,285	517,280	18.69	-4	-3	+3	+8.8
Nev.	2,192	67,687	30.88	-3	(*)	-4.9	+6.7
N. H.	7,275	166,447	22.88	-1	+3	+2.0	+7.4
N. J.	29,617	676,293	22.83	-3	+1	-4.5	+1.4
N. Mex.	5,169	85,360	16.51	+5	+1.9	+7.8	+6.0
N. Y.	117,910	3,244,125	27.51	-4	-1.3	-3.2	+5.8
N. C.	39,279	406,124	10.34	-2	-2	+2.6	+4.6
N. Dak.	9,491	177,840	18.74	-6	-2	+9	+6.6
Ohio	130,240	3,375,407	24.24	-1	+4	+5	+4.0
Oklahoma	77,970	1,601,219	20.54	+2	+3	+1.2	+15.3
Oreg.	21,550	512,142	23.77	-3	+8	+6	+10.5
Pa.	96,956	2,362,316	24.36	(*)	+6.0	-6.0	+1.9
R. I.	7,471	179,393	24.01	+6	+1.5	+5.1	+21.9

¹ For definitions of terms, see the Bulletin, September 1941, pp. 50-52.

² All 51 States have plans approved by the Social Security Board.

³ Includes \$117,804 incurred for payments to 3,110 recipients 60 but under 65 years of age.

⁴ Increase of less than 0.05 percent.

⁵ No change.

Table 7.—Aid to the blind: Recipients and payments to recipients, by State, August 1942¹

State	Number of recipients	Amount of payments to recipients	Average payment per recipient	Percentage change from—			
				July 1942 in—		August 1941 in—	
				Number of recipients	Amount of payments	Number of recipients	Amount of payments
Total	78,956	\$2,071,648	\$26.24	+0.3	+0.8	+6.1	+8.7
Total, 44 States ²	54,601	1,341,065	24.56	+2	+5	+8.7	+13.2
Ala.	651	6,790	10.43	+3	+3.1	+4.5	+19.6
Ariz.	426	14,123	33.15	+2.7	+1.1	+5.4	+13.7
Ark.	1,180	11,700	9.92	-3	+2.7	+1.8	+11.9
Calif. ³	7,111	333,300	46.87	-5	-5	-2.3	-1.8
Colo.	638	21,507	33.71	(*)	+4	+4.9	+10.1
Conn.	210	6,672	31.77	-5.0	-4.1	+8.7	+6
D. C.	297	10,111	34.04	-7	+3	+25.3	+39.3
Fla. ⁴	2,733	41,594	15.22	-2	-1	+5.4	+14.7
Ga.	2,099	24,504	11.67	+1.6	+2.0	+29.5	+38.5
Hawaii	76	1,339	17.62	(*)	(*)	(*)	(*)
Idaho	274	6,942	25.34	(*)	+3.6	-2.8	+8.8
Ill.	7,280	\$25,878	31.03	+1.6	+2.7	(*)	+7
Ind.	2,367	56,464	23.85	+6	+6.0	+7	+14.7
Iowa	1,538	42,463	27.61	-2	-2.0	-1	+14.6
Kans.	1,331	32,332	24.29	-4	+1.4	-4.5	+8.7
La.	1,357	23,078	17.01	+6	+3	+8.9	+9.9
Maine	1,060	24,129	22.76	-1.4	-1.3	-2.1	-1.7
Md.	601	13,756	22.89	-1.8	+2	-8.5	-3.6
Mass.	1,106	27,546	24.91	-5	-1	-6.8	-2.3
Mich.	1,390	36,788	26.47	+3	+1.1	+7.8	+18.4
Minn.	1,039	28,786	27.71	+5	+1.2	+5.6	+8.8
Miss.	1,365	14,546	10.66	+1	+2	+21.9	+44.5
Mo.	7,100	\$8,100	(*)	(*)	(*)	(*)	(*)
Mont.	326	8,080	24.79	(*)	+2	+16.0	+28.4
Nebr. ⁵	723	15,737	21.77	(*)	+1.2	+2.2	+2.2
Nev.	96	941	36.19	(*)	(*)	(*)	(*)
N. H.	332	7,756	23.36	+6	-1.5	+9	+1.9
N. J.	709	17,511	24.70	-1.1	-7	-4.4	-1.8
N. Mex.	238	4,648	19.53	+1.3	+3.3	+9.2	+16.8
N. Y.	2,776	79,434	28.61	+1.1	-3	-3.2	+4.7
N. C.	2,241	34,069	15.20	(*)	+2	+9.4	+10.9
N. Dak.	132	3,512	26.61	-8	+22.8	-2.9	+22.3
Ohio	3,902	82,547	21.16	-6	-3	-2.1	+3.1
Oklahoma	2,193	51,070	23.29	(*)	+6	+1.2	+34.5
Oreg.	456	13,098	28.72	-1.3	+9	-4.0	+7.4
Pa.	15,949	417,664	29.94	+2	+6	+1.0	+8
R. I.	95	2,178	22.93	(*)	(*)	(*)	(*)
S. C.	828	8,519	10.29	+6	+6	+3.4	+5.6
S. Dak.	257	3,927	15.28	+1.2	+1.2	-2.7	-9.5
Tenn.	1,664	20,844	12.53	+1	+4	+1.6	+13.2
Tex.	3,440	79,104	23.00	+4.7	+4.8	(*)	(*)
Utah	165	4,637	28.10	+1.2	-1.4	-8.3	-2.8
Vt.	160	3,594	22.46	+6	+8	-6	+2.4
Va.	1,078	13,961	12.95	-3	+2	+2.0	+4.5
Wash.	966	34,706	35.93	-9	-4	-9.0	-6.3
W. Va.	1,040	23,532	22.63	+7	+5	+15.9	+36.4
Wis.	1,899	46,439	24.45	-5	-5	-3.9	-6
Wyo.	132	3,602	27.97	-2.2	-2.2	-7.7	-3.2

¹ For definitions of terms, see the Bulletin, September 1941, pp. 50-52. Figures in italics represent programs administered under State laws from State and/or local funds without Federal participation. Delaware and Alaska do not have programs for aid to the blind.

² Total for States with plans approved by the Social Security Board. In addition, Federal funds were available for Kentucky but no payments were made under approved plan for August.

³ Includes program administered under State law without Federal participation.

⁴ No change.

⁵ Not computed; less than 100 recipients.

⁶ Increase of less than 0.05 percent.

⁷ Estimated.

⁸ Decrease of less than 0.05 percent.

⁹ No program for aid to the blind for August 1941.

Table 8.—*Aid to dependent children: Recipients and payments to recipients, by State, August 1942*¹

State	Number of recipients			Average payment per family	Percentage change from—								
	Families	Children	Amount of payments to recipients		July 1942 in—				August 1941 in—				
					Number of recipients	Amount of payments	Families	Children	Number of recipients	Amount of payments	Families	Children	
Total	387,176	930,227	\$13,364,498	\$34.52	-0.9	-1.0	+0.8	-0.1	-0.5	+5.9			
Total, 47 States ²	383,459	921,421	13,283,744	34.64	-0.9	-1.0	+0.8	+2.4	+1.7	+8.0			
Alabama	5,595	15,983	92,774	16.58	+4	+6	+3.9	-3.8	-4.8	+13.8			
Alaska	47	134	2,319	49.54	-2.7	-7	-1.1	(*)	(*)	(*)			
Arizona	2,188	5,894	74,455	34.03	-2.1	-1.8	-1.9	-11.5	-11.2	-8.6			
Arkansas	6,153	16,097	89,304	14.51	-1.7	-1.3	-2	-4.2	-2.4	+3.6			
California	12,423	29,786	677,713	54.55	-4.4	-4.2	+8	-19.9	-19.5	-8.8			
Colorado	5,588	13,799	173,148	30.99	-1.9	-2.1	-1.6	-11.1	-10.6	-8.7			
Connecticut	1,920	4,946	113,079	58.90	+5.4	+4.7	+6.8	+57.0	+77.1	+109.1			
Delaware	431	1,300	14,840	34.43	-2.0	-1.7	-1.1	-27.7	-23.0	-25.1			
District of Columbia	1,062	3,250	40,038	37.70	-6.8	-2.0	-4.0	+4.2	+7.8	+5.1			
Florida ³	5,301	12,628	134,077	25.29	-4.8	-3.2	-2.0	+23.2	+17.4	+37.3			
Georgia	4,693	11,439	106,342	22.66	-6	-8	-4	+7	-5	+4.4			
Hawaii	777	2,422	32,135	41.36	-5.9	-6.4	-4.2	-31.7	-33.6	-21.3			
Idaho	2,794	7,212	94,048	33.66	-3.5	-3.2	-9	-9.6	-7.6	(*)			
Illinois	22,610	51,381	738,348	32.66	+4	+4	+4	+197.8	+201.2	+317.6			
Indiana	14,293	29,988	444,821	31.12	-2.0	-1.8	-1.6	-10.9	-9.8	-6.1			
Iowa	3,119	6,948	60,309	19.34	-6	-6	+6	-8.9	-8.4	-8.8			
Kansas	6,496	15,811	226,489	34.87	-1.9	-1.4	+3	-6	+1.8	+17.6			
Kentucky	7,450	17,510	175,700										
Louisiana	14,611	37,312	390,662	26.74	-1.8	-2.1	-1.6	-4.7	-4.1	-3.7			
Maine	1,784	4,990	75,472	42.30	-1.3	-4	+1	+7.6	+15.1	+15.0			
Maryland	4,905	13,819	162,610	32.55	-3.7	-3.7	-3.2	-19.4	-18.6	-14.9			
Massachusetts	11,588	28,382	645,154	55.67	-1.6	-1.4	-1.9	-6.9	-7.2	-6.9			
Michigan	19,987	45,264	866,254	43.34	-1.6	-3.6	-2.0	-6.4	-10.3	-4			
Minnesota	8,581	20,797	299,434	34.90	-1.8	-1.6	-1.7	-7.6	-5.5	-5.4			
Mississippi	2,570	6,580	51,788	20.15	+1.1	+9	+1.0	+34.5	+31.0	+30.9			
Missouri	13,976	32,105	424,627	30.38	-6	-4	-3	-1.6	-2.2	+30.7			
Montana	2,479	6,153	77,355	31.20	-2.1	-2.0	-1.8	-5.6	-4.7	-7			
Nebraska	5,163	11,598	146,252	28.33	-2.3	-2.0	-2.4	-10.5	-10.3	-8.0			
Nevada	101	214	2,426	24.02	-2.9	-3.6	-3.3	-12.2	-22.2	-11.0			
New Hampshire	843	2,116	41,247	48.93	-1.2	-1.2	+1.6	+28.9	+30.0	+44.5			
New Jersey	7,750	17,683	246,621	31.82	-2.1	-2.0	-2.4	-21.8	-21.4	-21.3			
New Mexico	2,419	7,088	69,745	28.83	(*)	-2	+2.2	+19.6	+23.9	+32.9			
New York	26,951	53,825	1,348,948	50.05	-9	-9	-1.1	-16.6	-15.1	-9.6			
North Carolina	9,659	22,597	165,052	17.09	-1.3	-1.2	-1.6	-1.8	-3.5	(*)			
North Dakota	2,405	6,725	77,759	32.33	-2.2	-1.7	-1.2	-2.3	-1.4	+1.6			
Ohio	11,262	29,751	435,325	38.65	-5	-2	+4	-4.4	-5.7	-6.4			
Oklahoma	19,252	44,690	428,758	22.27	-6	-4	-1	-3.3	-2.3	+26.9			
Oregon	1,895	4,513	89,644	47.31	-2.4	-1.9	-9	-8.6	-7.5	+4.1			
Pennsylvania	45,251	113,348	2,022,324	44.69	-1.8	-2.0	+8.8	-25.2	-25.1	-10.2			
Rhode Island	1,255	3,428	65,828	52.45	+9	-3	-3	-2.6	-6.3	+12.0			
South Carolina	3,996	11,583	62,600	15.69	-4	-7	-1.2	+4.7	+3.5	-7.6			
South Dakota	1,860	4,380	53,776	28.91	-6	+1	-1	+13.6	+14.9	+19.7			
Tennessee	13,915	34,936	269,600	19.34	-7	-4	-2	-2.3	-1.7	+1.4			
Texas	19,088	39,448	391,283	20.50	+10.2	+9.6	+10.0	(*)	(*)	(*)			
Utah	3,183	8,339	143,549	45.10	-5.0	-6.6	-4.8	-21.4	-21.2	-16.2			
Vermont	704	1,870	22,970	32.63	-1.4	-1.8	-1.4	+4.5	+2.5	+4.5			
Virginia	4,846	13,934	99,484	20.53	-1.0	-1.1	-7	+6.2	+3.9	+0.0			
Washington	4,511	10,981	207,543	46.01	-3.7	-3.4	-2.0	-14.6	-13.0	+4.8			
West Virginia	13,045	34,696	405,388	31.08	+1.2	+1.3	+1.2	+33.3	+33.3	+60.4			
Wisconsin	10,609	24,713	421,697	39.75	-1.4	-1.4	-1.1	-13.3	-11.5	-6.2			
Wyoming	702	1,841	23,834	33.95	-3.6	-2.8	-2.7	-9.3	-8.0	-6.8			

¹ For definitions of terms, see the Bulletin, September 1941, pp. 50-52. Figures in italics represent programs administered under State laws from State and/or local funds without Federal participation.

² Total for States with plans approved by the Social Security Board.

³ Percentage change not computed since data for August 1941 were estimated.

⁴ No approved plan for August 1941. Percentage change based on program administered under State law without Federal participation.

⁵ Includes program administered under State law without Federal participation.

⁶ Increase of less than 0.05 percent.

⁷ Estimated.

⁸ In addition, in 62 counties payments amounting to \$10,165 were made from local funds without State or Federal participation to 597 families in behalf of 1,492 children under the State mothers'-pension law; some of these families also received aid under plan approved by the Social Security Board.

⁹ Decrease of less than 0.05 percent.

¹⁰ No approved plan for August 1941. Percentage change not computed since program administered under State law without Federal participation was not State-wide.

Table 9.—Public assistance and Federal work programs: Assistance and earnings in the continental United States,
by State, July 1942¹

[In thousands]

State	Total	Old-age assistance	Aid to dependent children ²	Aid to the blind ³	General assistance	Work Projects Administration
Total	\$120,016	\$49,578	\$13,219	\$2,055	\$13,647	\$41,517
Alabama	1,172	211	89	7	23	842
Arizona	634	329	76	14	53	163
Arkansas	974	210	89	11	24	639
California	8,857	5,724	673	335	591	1,535
Colorado	2,018	1,410	176	21	142	269
Connecticut	963	516	106	7	134	201
Delaware	111	30	15		10	56
District of Columbia	352	94	42	10	38	168
Florida	1,844	618	137	42	49	999
Georgia	1,648	597	107	24	37	884
Idaho	498	234	95	7	17	146
Illinois	9,913	4,017	735	220	1,749	3,191
Indiana	3,170	1,401	452	53	215	1,049
Iowa	2,031	1,216	60	43	180	532
Kansas	1,555	696	226	32	138	463
Kentucky	1,660	561	17	36	1,047	
Louisiana	1,748	478	397	23	19	831
Maine	628	340	75	24	89	99
Maryland	870	314	168	14	130	245
Massachusetts	6,319	2,862	658	28	686	2,086
Michigan	4,708	1,825	884	36	569	1,484
Minnesota	3,063	1,407	205	28	283	1,039
Mississippi	986	241	51	15	3	676
Missouri	2,714	1,547	426	86	187	1,468
Montana	689	283	79	8	31	288
Nebraska	1,134	549	150	16	47	373
Nevada	112	68	3	1	6	35
New Hampshire	423	166	41	8	61	147
New Jersey	2,852	675	253	18	365	1,541
New Mexico	515	84	68	4	11	347
New York	15,049	3,287	1,363	80	5,207	5,111
North Carolina	1,330	407	168	34	28	694
North Dakota	459	178	79	3	25	174
Ohio	6,503	3,363	433	83	560	2,064
Oklahoma	3,018	1,596	429	51	29	912
Oregon	838	508	90	13	84	143
Pennsylvania	8,612	2,228	1,859	415	933	3,176
Rhode Island	566	177	66	2	128	193
South Carolina	1,120	224	63	8	20	804
South Dakota	551	283	54	4	31	179
Tennessee	1,559	490	270	21	15	754
Texas	6,066	3,487	356	75	60	2,087
Utah	786	393	151	5	73	164
Vermont	208	98	23	4	24	59
Virginia	720	203	100	14	45	357
Washington	2,836	2,163	212	35	137	289
West Virginia	1,775	417	400	23	129	805
Wisconsin	2,759	1,277	427	47	335	675
Wyoming	161	88	25	4	12	33

¹ See footnotes to table 1. There were no earnings under the National Youth Administration student work program during July.

² Figures in italics represent programs administered under State laws from State and/or local funds without Federal participation.

³ Partly estimated; does not represent sum of State figures, because total payments for medical care, hospitalization, and burial in 3 States have been excluded.

* State program only; excludes program administered by local officials.

⁴ Includes total payments for medical care, hospitalization, and/or burial.

⁵ Data represent approximately 70 percent of total expenditures; exclude assistance in kind and, for a few counties, cash payments.

⁶ Partly estimated.

⁷ Estimated.

⁸ Represents assistance to employables in New Orleans and a small amount in scattered parishes; State-wide program discontinued as of June 30, 1942.

Table 10.—Public assistance and Federal work programs: Recipients of assistance and persons employed in the continental United States, by State, July 1942¹

State	Old-age assistance	Aid to dependent children ²		Aid to the blind ³	General assistance	Work Proj- ects Admin- istration
		Families	Children			
		2,248,861	389,675	936,763	78,611	\$ 566,000
Total						
Alabama	21,656	5,572	15,895	649	2,356	11,040
Arizona	9,525	2,234	6,003	415	2,634	1,619
Arkansas	25,350	6,262	16,304	1,183	3,787	10,235
California	156,968	12,990	31,106	7,149	24,583	14,483
Colorado	42,705	5,696	14,161	638	7,759	2,956
Connecticut	17,033	1,821	4,725	221	4,887	1,885
Delaware	2,305	440	1,322		501	584
District of Columbia	3,566	1,140	3,317	299	1,539	1,640
Florida	43,379	5,570	13,042	2,738	6,647	11,718
Georgia	67,158	4,720	11,529	2,066	4,801	12,415
Idaho	9,881	2,894	7,449	274	* 1,085	1,730
Illinois	150,559	22,523	51,161	7,188	68,608	35,462
Indiana	70,437	14,583	30,532	2,354	* 14,384	11,405
Iowa	56,436	3,187	8,688	1,541	12,197	5,833
Kansas	31,076	6,625	16,034	1,337	7,822	5,544
Kentucky	56,112	7,400	7,580		* 3,400	13,977
Louisiana	35,765	14,874	38,129	1,349	* 746	10,863
Maine	15,966	1,808	5,008	1,075	3,954	1,260
Maryland	16,338	5,187	14,343	612	5,933	2,475
Massachusetts	86,177	11,772	28,785	1,112	26,300	20,551
Michigan	91,161	20,306	46,948	1,386	24,255	19,167
Minnesota	63,066	8,741	21,127	1,034	14,120	11,188
Mississippi	26,679	2,543	6,524	1,363	571	10,724
Missouri	114,934	14,061	32,244	* 5,700	* 12,997	19,054
Montana	12,458	2,532	6,277	326	1,896	3,370
Nebraska	29,416	5,287	11,836	723	3,958	4,683
Nevada	2,199	104	222	26	425	390
New Hampshire	7,279	853	2,141	330	2,672	1,645
New Jersey	29,707	7,913	18,035	717	* 15,704	15,754
New Mexico	5,144	2,420	7,103	235	* 1,185	4,235
New York	118,391	27,195	54,317	2,747	* 139,809	53,717
North Carolina	39,352	9,782	22,863	2,242	3,662	11,432
North Dakota	9,552	2,460	6,842	133	1,692	2,171
Ohio	139,322	11,316	29,805	3,926	29,889	25,961
Oklahoma	77,843	19,362	44,881	2,192	* 6,102	16,234
Oregon	21,608	1,942	4,602	462	3,820	1,403
Pennsylvania	96,918	46,065	115,670	15,917	46,669	36,485
Rhode Island	7,430	1,244	3,438	95	* 3,589	1,913
South Carolina	21,272	4,012	11,665	823	2,271	10,370
South Dakota	14,727	1,871	4,374	254	2,233	2,098
Tennessee	40,285	14,017	35,068	1,663	* 2,000	11,937
Texas	175,527	17,318	36,002	3,285	5,768	30,886
Utah	14,554	3,350	8,927	163	2,664	1,938
Vermont	5,543	714	1,904	159	1,164	757
Virginia	19,692	4,897	14,093	1,081	4,331	5,757
Washington	64,402	4,686	11,369	975	5,528	2,787
West Virginia	23,623	12,889	34,242	1,033	11,740	11,413
Wisconsin	53,728	10,759	25,057	1,908	14,820	6,836
Wyoming	3,517	728	1,894	135	684	450

¹ See footnotes to table 2. There were no recipients under the National Youth Administration student work program during July.

² Figures in italics represent programs administered under State laws from State and/or local funds without Federal participation.

³ Partly estimated; does not represent sum of State figures, because an estimated number of cases receiving medical care, hospitalization, and/or burial only in 3 States has been excluded, and data on cases aided in Oklahoma have been estimated to exclude duplication.

* State program only; excludes program administered by local officials.

⁴ Includes unknown number of cases receiving medical care, hospitalization, and/or burial only.

⁵ Excludes cases receiving assistance in kind only and, for a few counties, cash payments.

⁶ Partly estimated.

⁷ Estimated.

⁸ Represents employable cases receiving assistance in New Orleans and a small number of cases in scattered parishes; State-wide program discontinued as of June 30, 1942.

⁹ Includes cases receiving medical care only; number believed by State agency to be insignificant.

¹⁰ Represents 2,055 cases aided under program administered by State board of public welfare, and 4,047 cases aided by county commissioners; amount of duplication believed to be large. Report incomplete for some counties.

EMPLOYMENT SECURITY

BUREAU OF EMPLOYMENT SECURITY • REPORTS AND ANALYSIS DIVISION

Operations of the Employment Security Program

Labor-Market Developments

Although the rate of increase in total munitions output declined in August for the second successive month, the lag in the production program behind previous forecasts cannot as yet be attributed to lack of manpower. Changes in models, shortages of materials, and lack of balance in the total war-production program are at present the major retarding factors and will probably continue to be for at least the rest of the year.

Labor shortages are impeding current production or expansion in specific plants, areas, and industries, but a general labor shortage is not likely to develop before 1943. Employers in war industries, largely reconciled to the dearth of available skilled workers, are hiring and training large numbers of semiskilled and unskilled workers to meet their still expanding needs. More than half a million workers were added by nonagricultural establishments during the month, bringing total nonagricultural employment to a record high of 37.8 million.¹ Most of the increase occurred in manufacturing employment, which rose 337,000.

While labor supply in general—although by no means in all areas, industries, and occupations—promises to remain adequate for some time to come, growing stringencies are intensifying secondary labor-market problems such as turn-over, pirating, and absenteeism. Although much attention is being given to the problem of manpower, the approach has been piecemeal. There are, however, many indications that complete mobilization of the labor market is not far off. The recruitment job for war industries is still large and will become progressively more difficult. Estimates of the Bureau of Employment Security and the Bureau of Labor Statistics indicate that at least 62.5 million people will be employed by industry or in the armed forces by the end of 1943. To replace workers entering military service and to make the necessary shifts from less-essential to war work, about 18 million new workers must be placed in jobs. Surveys of 329 industrial

areas, made by the Bureau of Employment Security in August, show that shortages of male workers already exist in 65 of these areas and are anticipated in an additional 130. Acute labor shortages are expected by November in 166 of 528 selected skilled and semiskilled occupations essential to war industries. Shortages of 1,000 or more workers prevail in 47 occupations, and in 59 occupations there are deficits of 100-999. Shortages of less than 100 are expected to develop in 60 occupations before November. Half of all the shortage occupations are in the metalworking groups, and another fifth are assembly occupations.

Inadequate transportation and housing facilities are developing into major obstacles to labor mobility. Nearly every important war-production center already has, or soon will have, critical housing shortages which contribute to excessive labor turn-over and also retard necessary immigration. Detroit, Chicago, Buffalo, Baltimore, Mobile, Seattle, San Diego, Norfolk, and San Francisco are only a few of the many localities faced with critical housing problems. Although some progress has been made in public and private building programs, these have proved far from adequate, in part because of the difficulty in obtaining priorities for equipment and materials.

The rate of labor turn-over in 11 selected war industries rose again in July, with a major part of the increase accounted for by voluntary quitting and inductions into the armed forces.¹ While there are many contributing causes, inequalities in wage rates and weekly earnings among plants and industries are assuming very significant proportions. Average hourly wages in durable-goods industries rose from 93.3 cents in June to 94.6 cents in July, and average weekly earnings rose 59 cents to \$44.61, but there were wide variations among industries.² For example, average weekly earnings for aircraft workers were \$46.27, while in shipyards, which frequently compete for the same labor supply, wages averaged \$55.19. In areas of labor stringency, high turn-over rates due to pirating and "job shopping" are aggravating the

¹ Estimates of the Bureau of Labor Statistics

² Data from the Bureau of Labor Statistics.

already serious problem of labor recruitment. Reports from the Buffalo area, for example, indicate that employers generally find it necessary to hire three or four workers for each net addition to the labor force. One West Coast aircraft firm hired 9,000 workers during a 60-day period, but the net employment gain was less than 3,000. Some shipyards in this area, despite a favorable wage differential, have been making two hires for each net gain, while the nonferrous-metal industry in the same area, with a relatively low entrance wage, has had a ratio as high as 7 to 1.

Despite an increase of more than 6,500 enrollments in pre-employment courses during the month which brought total enrollments to 199,000, difficulty in recruiting trainees is still a major problem in many areas. Consequently, industry's needs for trainees are not being met in a number of localities, although a surplus of training facilities exists. The Baltimore office of the U. S. Employment Service holds many more orders for trainees than it can possibly fill, while current enrollment is only about one-fourth of the capacity of the vocational schools. It is estimated that only 40 percent of the pre-employment training facilities in California will be in use during the next 6-month period. Three schools in Waterbury, New Britain, and Meriden, Conn., have had to close their night courses because of the lack of prospective trainees. In order to induce enrollments, "earmarked" courses are being established in some localities through cooperation of employers and training officials. Such courses are much easier to fill, since trainees are either paid during training or practically assured jobs on graduation. Another developing trend is the conversion of pre-employment courses to supplementary training, because many workers prefer to begin working in unskilled jobs and take their training later without loss of earnings.

Under-utilization of employed workers continues in many industries, with an average work-week of only 42.4 hours in all manufacturing industries in July. To promote fuller utilization of the labor force, the President, by Executive Order effective October 1, prohibited double-time pay for war work on Saturdays, Sundays, or holidays, except when they constitute the seventh consecutive workday. To achieve a similar purpose in a critical labor area, the Chairman of the War Production Board issued an order establishing a 48-hour workweek in all lumber camps and saw-

mills in the Pacific Northwest—an order affecting approximately 100,000 men. On September 22, the Coordinator of Solid Fuels asked representatives of trade-unions and mine operators to abandon the 35-hour week in all coal mines.

Since women now constitute the largest part of the labor reserve, several measures to facilitate their entrance into the labor market have been adopted. In August, the War Manpower Commission issued a statement of policy on industrial employment of women with young children and also Directive No. IX, to develop, integrate, and coordinate Federal programs for the day care of children of working mothers through the Office of Defense Health and Welfare Services. On September 4, the Chairman of the War Manpower Commission created a Women's Policy Committee to aid in recruiting and training the 5 million women who must be added to the labor force by the end of next year. In a unanimous decision, the War Labor Board ordered a manufacturing firm in Rhode Island to assign equal wage rates to men and women, thereby establishing the principle of equal pay for equal work in war industries.

The functions of the War Manpower Commission were expanded on September 17 by an Executive Order transferring the duties and powers of the U. S. Employment Service, the National Youth Administration, the Apprenticeship Training Service, and the Training Within Industry Service to the War Manpower Commission. Testifying before the House Select Committee Investigating National Defense Migration, the Chairman of the War Manpower Commission stated that some type of national service legislation is inevitable if the Nation hopes to control its labor supply effectively.

"Some way must be found to determine what each plant actually needs and to see that it gets no more and no less labor than it can use to the best advantage . . . It is obvious that decisions are required which cannot be left entirely to the employer's discretion and which require the judgment of experts skilled in occupational analysis and labor utilization."

Placement Activities

The steady rise begun in March in the monthly total of jobs filled by the USES was halted during August, as both agricultural and nonagricultural placements fell slightly below July levels (table 1).

Placements during the month, however, numbered close to 1 million and were 46 percent above the August 1941 figure. The tremendous expansion in Employment Service activity is further evident

in the nearly 5.7 million jobs filled during the first 8 months of 1942, a rise of 31 percent over the corresponding period last year, and of 94 percent over January-August 1940. The increase from

Table 1.—Summary of nonagricultural and agricultural placements, by State, August and January-August 1942

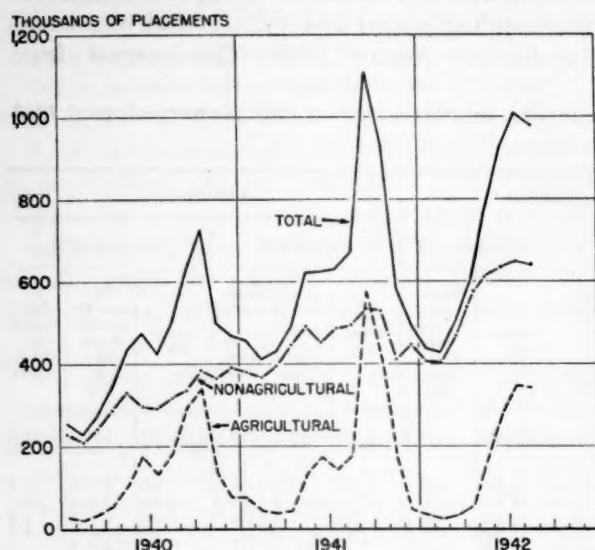
[Corrected to Sept. 26, 1942]

Social Security Board region and State	Total				Nonagricultural				Agricultural							
	August 1942		Jan.-Aug. 1942		August 1942		Jan.-Aug. 1942		August 1942		Jan.-Aug. 1942					
	Number	Percentage change from—	Number	Percentage change from Jan.- Aug. 1941	Number	Percentage change from—	Number	Percentage change from Jan.- Aug. 1941	Number	Percentage change from—	Number	Percentage change from Jan.- Aug. 1941				
Total.....	982,777	-2.3	+46.4	5,680,275	+31.1	640,961	-2.4	+29.4	4,385,304	+24.9	341,816	-2.1	+94.0	1,204,971	+57.4	22.8
Region I:																
Connecticut.....	9,619	-13.0	+16.2	78,185	+13.5	8,511	-8.5	+0.9	72,979	+10.9	1,108	-36.5	+100.3	5,206	+72.2	6.7
Maine.....	7,777	+29.2	+74.4	41,020	+39.8	4,275	-24.7	+8.3	36,559	+30.3	3,502	+93.0	+585.3	4,461	+244.5	10.9
Massachusetts.....	13,609	+10.3	+48.8	88,337	+26.9	12,713	+7.4	+43.8	86,333	+26.4	896	+77.4	+198.7	2,004	+51.8	2.3
New Hampshire.....	1,741	-21.6	-38.6	15,691	-12.9	1,536	-27.0	+45.0	14,983	-15.2	205	+73.7	(1)	708	+102.9	4.5
Rhode Island.....	4,491	+45.8	+134.6	24,034	+44.5	4,478	+45.9	+137.9	23,888	+44.7	13	(1)	(1)	176	+23.1	.7
Vermont.....	573	-37.9	-53.8	6,434	-28.5	509	-1.4	-57.8	5,468	-36.4	64	-84.3	(1)	966	+148.3	15.0
Region II:																
New York.....	76,236	+2.8	+46.5	502,892	+38.7	63,811	-.8	+28.7	474,759	+34.3	12,425	+26.1	+400.2	28,133	+202.8	5.6
Region III:																
Delaware.....	2,080	+15.9	+25.4	12,620	+3.1	1,727	+9.3	+7.5	11,883	-.3	353	+65.0	+566.0	737	+128.9	5.8
New Jersey.....	21,658	+26.1	+37.0	139,016	+13.6	14,493	+12.5	-4.1	122,042	+2.1	7,165	+67.1	+936.9	16,974	+476.6	12.2
Pennsylvania.....	31,216	-4.5	+49.5	215,433	+36.6	28,310	-8.5	+39.1	208,753	+34.1	2,906	+66.1	+458.8	6,990	+204.8	3.2
Region IV:																
District of Columbia.....	4,244	-21.1	-15.0	46,024	+10.4	4,228	-21.2	-15.3	45,899	+10.4	16	(1)	(1)	125	+15.7	.3
Maryland.....	16,398	-5.6	+92.3	82,841	+54.8	9,903	+35.4	+51.3	61,207	+34.5	6,495	-35.5	+227.4	21,634	+169.4	26.1
North Carolina.....	29,686	+4.6	+61.5	179,263	-1.3	20,843	-9.1	+36.9	140,158	-8.6	8,843	+62.3	+180.4	39,105	+38.0	21.8
Virginia.....	9,597	+3.4	-27.9	68,327	-26.2	8,217	+.3	-37.4	65,050	-26.9	1,380	+27.7	+697.7	3,277	-8.8	4.8
West Virginia.....	3,900	+.9	-6.1	29,667	-8.5	3,673	+3.7	-9.6	28,904	-9.6	227	-30.2	+152.2	763	+85.2	2.6
Region V:																
Kentucky.....	10,036	-18.2	+92.5	78,097	+142.5	9,289	-22.9	+83.1	63,315	+106.2	747	+222.0	+433.6	14,782	+887.4	18.9
Michigan.....	23,222	-18.4	+58.5	149,199	+29.6	16,722	-7.2	+23.0	127,241	+16.8	6,500	-37.6	+516.1	21,958	+251.3	14.7
Ohio.....	42,735	+24.7	+63.8	267,599	+40.8	38,581	+25.6	+54.1	253,541	+36.7	4,154	+16.6	+291.5	14,058	+203.0	5.3
Region VI:																
Illinois.....	27,545	-11.1	+24.4	202,563	+13.9	20,759	-12.7	+8.5	176,142	+4.8	6,786	-5.8	+125.7	26,421	+170.1	13.0
Indiana.....	13,933	+2.4	-7.7	110,127	-2.2	12,952	+7.8	-12.8	105,236	-5.3	981	-38.5	+328.4	4,891	+239.4	4.4
Wisconsin.....	16,241	-12.6	+36.1	103,323	+29.8	14,133	-13.7	+25.9	95,067	+26.2	2,108	-3.8	+196.9	8,256	+93.4	8.0
Region VII:																
Alabama.....	4,188	-15.4	-37.2	57,187	+25.5	3,892	-17.8	-37.6	50,018	+33.1	296	+35.8	-31.3	7,169	-10.3	12.5
Florida.....	10,804	-1.5	+93.4	71,615	+44.4	10,700	-2.0	+93.2	66,371	+38.3	104	+100.0	(1)	5,244	+223.5	7.3
Georgia.....	8,975	-6.1	-34.2	63,641	-18.9	7,682	-13.5	-41.8	60,498	-15.9	1,293	+91.6	+195.2	3,143	-52.3	4.9
Mississippi.....	15,766	-24.6	+41.4	76,419	+75.6	12,515	-31.7	+14.8	65,588	+57.0	3,251	+25.6	(2)	10,831	+521.0	14.2
South Carolina.....	5,442	-14.5	-44.7	48,564	-22.5	5,204	-12.4	-44.5	46,541	-22.8	238	-43.7	-47.8	2,023	-13.3	4.2
Tennessee.....	9,334	-51.9	-27.5	95,232	-22.0	7,593	-4.8	+7.6	57,099	-11.1	1,741	-84.8	-70.1	38,133	-34.0	40.0
Region VIII:																
Iowa.....	13,090	+3.1	+42.1	68,969	+3.5	8,270	+12.5	-1.5	53,151	-9.1	4,820	-9.9	+494.3	15,818	+93.3	22.9
Minnesota.....	20,478	+21.8	+75.0	84,538	+34.1	9,525	+1.4	+15.7	59,831	+23.7	10,953	+47.5	+215.6	24,707	+68.6	29.2
Nebraska.....	14,455	-41.2	+215.8	70,333	+154.1	7,714	-16.4	+91.1	46,443	+92.5	6,741	-56.1	(2)	23,890	+573.0	34.0
North Dakota.....	14,110	+227.0	+8.7	30,137	-4.8	1,282	-38.9	-44.0	12,589	-13.5	12,828	+478.9	+20.0	17,548	+2.6	58.2
South Dakota.....	14,695	+171.7	+261.1	33,064	+105.5	5,569	+79.5	+174.9	20,308	+76.1	9,126	+295.9	+346.7	12,756	+180.0	38.6
Region IX:																
Arkansas.....	47,028	-34.5	+238.1	310,019	+157.2	22,704	+11.6	+274.5	110,839	+241.8	24,324	-52.7	+209.9	100,180	+126.1	64.2
Kansas ¹	13,688	-15.6	-32.3	82,934	-8.4	13,204	+8.4	-	73,713	-	484	-88.0	-	9,221	-	11.1
Missouri ¹	32,446	-31.9	-	199,018	-	29,537	-13.9	-	159,853	-	2,909	-78.3	-	39,165	-	19.7
Oklahoma.....	12,397	-18.9	+92.5	74,086	+38.0	7,586	+33.5	+23.5	46,325	+26.1	4,811	-49.9	(2)	27,761	+63.8	37.5
Region X:																
Louisiana.....	5,002	-13.2	-35.6	47,071	-35.6	4,227	-26.3	-43.2	44,820	-36.9	775	(1)	+143.7	2,251	+10.0	4.8
New Mexico.....	3,964	-29.5	+17.9	27,669	+70.3	3,559	-31.1	+150.8	22,639	+103.0	405	-10.0	-79.2	5,030	-1.3	18.2
Texas.....	122,296	+37.5	+35.5	563,065	+14.6	40,746	-6.1	+7.4	328,041	+20.2	81,550	+79.2	+55.8	235,024	+7.7	41.7
Region XI:																
Arizona.....	8,782	+12.2	+138.8	49,521	-1.3	3,961	-8.8	+96.1	26,050	+22.0	4,821	+38.3	+190.9	23,471	-18.5	47.4
Colorado.....	19,803	+32.3	+84.1	72,485	+43.4	7,695	+33.3	+83.3	40,864	+55.4	12,108	+31.7	+84.6	31,621	+30.4	43.6
Idaho.....	11,240	-43.5	+16.0	72,738	+64.7	6,175	+9.3	+85.5	26,530	+62.4	5,065	-64.4	-20.4	46,208	+66.1	63.5
Montana.....	7,643	-8.8	+80.9	33,495	+50.7	5,426	+3.3	+106.0	20,811	+46.0	2,217	-29.1	+39.3	12,684	+59.1	37.9
Utah.....	12,821	+4.8	+287.9	50,602	+175.8	7,659	+52.0	+236.7	29,851	+111.2	5,162	-28.3	+401.2	20,751	+392.5	41.0
Wyoming.....	4,989	-11.2	+96.7	19,528	+56.2	4,559	-12.2	+95.8	16,493	+48.4	430	+1.4	+106.7	3,035	+118.7	15.5
Region XII:																
California.....	96,689	+.2	+68.6	554,671	+75.5	70,787	-1.4	+56.8	455,680	+67.0	25,902	+5.0	+112.0	98,901	+129.4	17.8
Nevada.....	3,930	-7.2	+39.4	23,454	+54.1	3,359	-5.4	+58.0	21,013	+66.7	571	-16.9	-17.6	2,441	-6.7	10.4
Oregon.....	31,259	-9.5	-29.2	141,397	-9.7	11,830	-3.3	-15.4	77,671	+5.9	19,429	-12.9	-35.7	63,726	-23.4	45.1
Washington.....	49,392	+.8	+129.3	203,841	+89.4	16,837	-12.0	+36.7	112,577	+50.4	32,555	+9.1	+252.9	91,204	+178.5	44.8
Territories:																
Alaska.....	747	-12.0	-26.1	6,014	-20.5	739	-12.8	-26.5	5,982	-20.6	8	(1)	(1)	32	(1)	.5
Hawaii.....	787	-7.7	-20.7	7,966	-2.7	762	-1.6	-13.6	7,738	+1.2	25	(1)	(1)	228	-57.9	2.9

¹ Not computed, because less than 50 placements were made in 1 or both periods.

² Beginning Feb. 16, data for Kansas City, Kans., included with Kansas City, Mo.

Chart 1.—Placements of men and women by public employment offices, January 1940–August 1942



last year was especially marked in agriculture, where the 1.3 million jobs filled thus far this year represented a 57-percent increase over the number filled in the corresponding period of 1941. The 4.4 million nonfarm placements made in the 8-month period were only 25 percent more numerous than those made in the same period of 1941.

Nonagricultural placements were 2.4 percent fewer than in July, but, except for June and July 1942, they were more numerous than in any other month since 1935. They were 29 percent greater than in August 1941 and more than double the total for August 1940, with a majority of the States reporting higher levels than in the preceding 2 years.

The July–August decline in nonagricultural placements was shared by 32 States, including a number of eastern industrialized areas as well as all the Pacific Coast and a majority of the Southern States. While the declines in most cases were small, in 8 States they amounted to more than 20 percent. Of these 8, Kentucky, Mississippi, New Mexico, and North Dakota had sharp increases in such placements in 1 or both of the 2 preceding months. Some of the sharpest increases over July occurred in primarily agricultural States. The stimulus to industrial activity in these previously nonindustrial States is evident from the fact that in many of them nonagricultural placements were from 1½ to nearly 4 times as great as in August 1941.

The decline of 2.1 percent from July to August in agricultural placements was in contrast to marked increases for the same period of the past 2 years. Nevertheless, except for July 1942 and the harvest months of September and October 1941, farm placements were greater than at any time since January 1940, when comparable data first became available. Compared with August of both 1940 and 1941, farm placements were almost doubled.

Despite the slight decline for the Nation as a whole from July to August, a majority of States reported increases in the number of farm jobs filled. There were marked spurts in farm placements in several States, but they were scattered throughout the country and reflected varied agricultural activities. In Maine, New Jersey, and Pennsylvania, the increase was chiefly associated with bringing in truck-farm and fruit and nut crops; in Minnesota, North Dakota, and South Dakota, with the grain harvest; in Kentucky, with activity on the tobacco farms; and in Texas, with picking cotton. On the other hand, declines from July in agricultural placements, reported by 22 States, were especially sharp in Arkansas, Idaho, Kansas, Missouri, Nebraska, Oklahoma, Tennessee, and Vermont. In each of these States, however, the number of farm jobs filled in June or July had shown considerable increases. Among these 8 States, only Idaho and Tennessee made fewer agricultural placements than in August 1941. In all, only 7 States had fewer agricultural placements this August than in the same month last year, while in Mississippi, Nebraska, and Oklahoma such placements increased more than 10 times, and in Delaware, Iowa, Kentucky, Maine, Michigan, New Jersey, New York, Pennsylvania, Utah, and Virginia they were approximately 5–10 times the number made last August. The bulk of agricultural placements continued to be concentrated in the same few States, with Arkansas, California, Oregon, Texas, and Washington accounting for more than half the total.

Applications for work filed with public employment offices declined for the second successive month. They dropped 15 percent below the July level to 1.4 million (table 2), the smallest monthly total thus far this year. New applications, filed primarily by individuals not previously registered with the USES, numbered approximately 807,000, or 14 percent less than in July and 24 percent less

Table 2.—Total applications received in public employment offices, by State, August 1942

[Corrected to Sept. 25, 1942]

Social Security Board region and State	Number	Social Security Board region and State	Number
Total.....	1,400,577	Region VII—Cont.	
Connecticut.....	20,566	South Carolina.....	12,477
Maine.....	9,910	Tennessee.....	14,150
Massachusetts.....	47,925	Iowa.....	16,723
New Hampshire.....	3,778	Minnesota.....	24,354
Rhode Island.....	12,967	Nebraska.....	12,072
Vermont.....	1,340	North Dakota.....	11,208
Region II:		South Dakota.....	3,639
New York.....	150,486	Region IX:	
Region III:		Arkansas.....	36,682
Delaware.....	2,727	Kansas ¹	11,218
New Jersey.....	42,928	Missouri ¹	78,050
Pennsylvania.....	98,607	Oklahoma.....	22,593
Region IV:		Region X:	
Dist. of Col.....	8,088	Louisiana.....	17,654
Maryland.....	23,067	New Mexico.....	3,619
North Carolina.....	21,115	Texas.....	73,511
Virginia.....	17,154	Region XI:	
West Virginia.....	11,395	Arizona.....	6,346
Region V:		Colorado.....	15,884
Kentucky.....	28,219	Idaho.....	8,462
Michigan.....	56,816	Montana.....	3,643
Ohio.....	84,454	Utah.....	6,905
Region VI:		Wyoming.....	1,897
Illinois.....	88,375	Region XII:	
Indiana.....	35,345	California.....	108,763
Wisconsin.....	22,717	Nevada.....	1,842
Region VII:		Oregon.....	14,102
Alabama.....	21,547	Washington.....	19,231
Florida.....	23,279	Territories:	
Georgia.....	23,258	Alaska.....	1,083
Mississippi.....	15,978	Hawaii.....	2,419

¹ Data for Kansas City, Kans., included with Kansas City, Mo.

than in June when large numbers of students entered the labor market. Despite this decline, however, new applications were 15 percent above the August 1941 figure.

Insurance Activities

Unemployment benefits paid during August declined markedly from the July level in both number and amount, as total unemployment for the Nation as a whole dropped to a new wartime low. Disbursements for the month totaled \$28.3 million, 13 percent less than in July and the smallest monthly outlay since December 1941. The 2.2 million man-weeks of compensated unemployment were also 13 percent below the July level and approximately 7 percent fewer than in August 1941. Payments, however, exceeded the total for last August by 6.6 percent, as a result of higher base-period earnings and the more liberal benefit provisions in effect in some States. For the first 8 months of 1942, disbursements amounted to \$283 million, 12 percent more than for the corresponding period of last year.

Continued-claim receipts, which reflect both waiting-period and compensable weeks of unemployment, declined even more sharply than pay-

ments, dropping to 2.6 million, 20 percent below the July total and 14 percent below the level of last August. A sharp drop in the volume of new unemployment was also evident in declining initial-claim receipts. Such receipts numbered only 386,000 during August, a drop of 31 percent from July and by far the smallest total for any month on record.

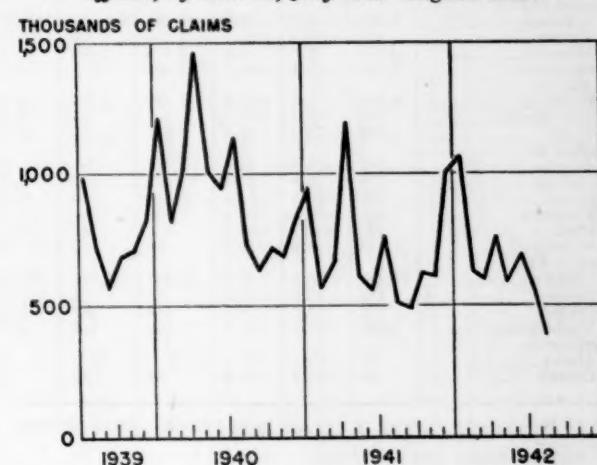
The estimated number of different individuals who received at least one benefit check in August was 739,000, or 14 percent fewer than the previous month's total and the smallest number for any month this year. Total unemployment, however, fell off even more abruptly than the number of beneficiaries. Of all persons unemployed during August as reported by the Bureau of the Census, it is estimated that approximately one-fourth³ were drawing unemployment benefits as compared with approximately one-fifth in the 2 preceding months.

Claims and payments.—Every State except Georgia, Indiana, New Hampshire, and South Dakota reported a decline from the July level in initial-claim receipts (table 3). In most cases the drop was sharp, amounting to at least 20 percent in 39 States. Compared with last August, initial-claim receipts declined in all but 9 States.⁴ The declines in a majority of the States were precipitous and in the North Central, Rocky Mountain, and Pacific Coast States ranged from 49 to 88 percent. Every

³ Obtained by dividing the Bureau of the Census count of unemployment, taken during the week of August 2-8, into the average weekly number of benefit recipients during the month.

⁴ Alabama, Arkansas, Connecticut, Georgia, Illinois, Indiana, New Hampshire, New York, Tennessee.

Chart 2.—Number of initial claims received in local offices, by month, July 1939-August 1942



State except Indiana received fewer initial claims than in August 1940.

Most of the States reported decreases from July

to August in both continued claims and benefit payments. Declines in payments of approximately one-fifth or more were reported by 27

Table 3.—Number of initial and continued claims received in local offices, by State, August and January-August 1942

[Data reported by State agencies, corrected to Oct. 3, 1942]

Social Security Board region and State	August 1942										Jan.-Aug. 1942			
	Number	Initial claims			Number	Continued claims			Number	Percentage change from Jan.-Aug. 1941	Number	Percentage change from Jan.-Aug. 1941		
		July 1942	Aug. 1941	New ¹		July 1942	Aug. 1941	Waiting-period						
Total	385,927	-30.8	-25.4	² 242,443	² 143,474	2,567,822	-19.7	-14.2	² 312,689	² 2,255,066	5,247,910	-9.7	27,969,608	-9.5
Region I:														
Connecticut	6,080	-30.5	+1.7	3,873	2,207	30,223	-27.5	+26.4	2,694	27,529	73,911	+11.3	272,157	+13.6
Maine	1,456	-22.4	-35.8	1,130	326	11,301	-20.6	+4.1	1,208	10,063	28,895	-20.7	131,524	-29.7
Massachusetts	18,115	-22.4	-28.6	10,276	7,839	116,872	-17.5	-25.1	9,562	107,310	219,986	-21.1	1,104,300	-29.7
New Hampshire	1,945	+7.8	+58.1	1,182	763	8,131	-1.7	+2.8	1,373	6,758	20,045	+7.0	89,632	+26.8
Rhode Island	5,854	-12.8	-10.1	3,651	2,203	35,227	-39.7	+24.3	2,449	32,778	75,751	+6.6	369,882	+19.4
Vermont	390	-5.6	-9.3	264	126	2,222	-8.9	+5.2	376	1,846	6,646	-25.4	36,054	-33.7
Region II:														
New York	97,292	-31.1	+8.6	45,660	51,632	656,078	-21.5	+33.4	82,270	573,808	1,165,357	-3.1	4,405,298	-22.9
Region III:														
Delaware	463	-50.1	-49.9	321	142	3,095	-34.2	-4.2	165	2,930	11,560	-11.2	56,807	-5.5
New Jersey	21,678	-36.8	-25.4	13,102	8,576	130,530	-18.8	-6.6	15,502	115,028	274,357	+3.3	1,320,020	+12.2
Pennsylvania	15,532	-27.3	-34.2	¹ 15,532	(¹)	124,965	-20.8	-29.9	22,827	102,138	202,341	-37.9	1,571,999	-40.0
Region IV:														
Dist. of Col.	705	-31.9	-51.2 ²	596	109	7,476	-9.0	-46.5	793	6,683	10,275	-38.4	84,536	-46.1
Maryland	2,053	-50.1	-67.7	2,048	5	28,717	-24.2	-40.2	1,512	27,205	51,838	-23.3	315,863	-24.5
North Carolina	7,315	-46.8	-28.9	6,060	1,255	38,623	-20.8	-34.9	5,883	32,740	79,526	-13.8	414,375	-19.0
Virginia	2,350	-34.2	-16.0	1,2350	(¹)	24,449	-43.2	-24.5	1,623	22,826	37,526	-31.8	281,886	-22.5
West Virginia	2,877	-50.7	-23.6	2,070	807	20,880	-44.7	-4.9	1,177	19,703	43,857	-64.1	221,466	-48.5
Region V:														
Kentucky	3,248	-22.7	-21.7	3,226	22	27,107	-20.4	+26.6	1,910	25,197	54,108	-3.7	264,520	+35.7
Michigan	15,498	-56.3	-70.8	8,199	7,299	123,507	-20.5	-50.6	8,633	114,874	365,033	+12.1	2,411,808	+133.7
Ohio	11,286	-30.5	-44.3	¹ 11,286	(¹)	101,595	-16.3	-8.2	17,075	84,520	167,893	-17.2	1,310,138	-2.2
Region VI:														
Illinois	55,794	-20.6	+22.1	25,792	30,002	307,697	-22.9	+67.5	20,922	286,775	609,258	+12.8	2,435,010	+20.9
Indiana	10,993	+20.2	+53.9	10,563	430	89,593	+46.9	+38.1	7,826	81,767	107,093	+46.2	821,264	+66.0
Wisconsin	¹ 4,029	-5.7	-41.4	¹ 4,029	(¹)	23,519	-20.4	-30.9	3,502	20,017	¹ 61,496	-8.0	399,077	+30.4
Region VII:														
Alabama	6,662	-26.0	+18.5	4,703	1,860	48,176	+7.4	+5.3	10,794	37,382	55,771	-18.0	333,784	-24.2
Florida	5,581	-52.2	-45.3	¹ 5,581	(¹)	46,776	-12.7	-49.4	4,580	42,196	69,822	-19.7	453,623	-14.2
Georgia	7,292	+10.2	+13.0	4,478	2,814	47,046	-13.9	-7.0	11,160	35,886	57,815	-8.6	505,368	+27.9
Mississippi	2,346	-19.2	-49.4	1,330	1,016	11,993	-13.9	-42.3	2,024	9,969	38,467	-5.4	217,831	+2.4
South Carolina	4,303	-23.4	-28.2	2,796	1,507	21,094	-10.0	-23.3	2,432	18,662	45,724	+6.6	249,809	+16.0
Tennessee	7,128	-21.9	+3.5	5,522	1,606	59,080	-8.6	-4.8	6,594	52,486	75,353	+8.4	597,810	+14.0
Region VIII:														
Iowa	1,665	-40.8	-51.7	1,424	241	11,568	-28.1	-44.8	2,061	9,507	47,962	-12.2	265,266	-24.6
Minnesota	2,954	-54.5	-57.7	1,420	1,534	18,123	-42.5	-45.3	7,272	10,851	85,397	-16.4	532,564	-21.3
Nebraska	782	-20.9	-50.1	533	229	3,984	-26.1	-45.9	419	3,565	19,069	-15.2	118,319	-19.5
North Dakota	94	-54.4	-74.0	47	47	1,013	-42.7	-47.9	25	988	6,289	-24.6	45,955	-25.0
South Dakota	102	+3.0	-64.5	51	51	484	-65.8	-80.2	64	420	4,668	-25.9	31,703	-38.3
Region IX:														
Arkansas	3,684	-45.0	+17.7	3,656	28	21,891	+30.3	-39.5	2,498	19,393	30,999	-42.6	172,455	-52.0
Kansas	1,624	-29.0	-55.1	1,166	458	9,861	-26.5	-47.8	1,057	8,804	34,922	-4.5	210,379	-2.1
Missouri	10,722	-12.6	-9.8	8,639	2,083	68,411	-8.1	+2.2	15,872	52,539	108,408	+8.8	767,413	+22.4
Oklahoma	2,613	-32.5	-45.1	¹ 2,613	(¹)	22,275	-21.2	+1.4	1,482	20,793	47,933	-17.5	310,857	-1.0
Region X:														
Louisiana	8,746	-22.2	-25.5	6,950	1,796	49,354	-4.6	-53.9	11,592	37,762	88,913	-10.4	576,963	-12.8
New Mexico	243	-42.7	-69.2	196	47	2,011	-37.1	-69.0	131	1,880	9,061	-10.8	66,335	-27.8
Texas	7,699	-24.1	-55.5	5,801	1,898	45,961	-17.5	-53.4	5,189	40,772	122,237	-28.5	665,458	-27.0
Region XI:														
Arizona	565	-39.7	-62.5	448	117	3,529	-22.0	-51.1	165	3,364	13,217	-14.7	62,630	-24.3
Colorado	779	-26.8	-57.1	679	100	5,589	-37.4	-60.6	799	4,790	18,462	-33.3	102,435	-49.1
Idaho	138	-78.9	-52.4	106	32	2,058	-14.5	-63.0	180	1,878	13,164	-31.8	88,539	-38.8
Montana	301	-35.8	-69.3	106	195	2,226	-40.9	-68.2	183	2,043	12,244	-36.8	92,586	-40.4
Utah	252	-81.7	-85.4	177	75	2,426	-34.2	-78.8	103	2,323	11,703	-32.5	71,420	-19.6
Wyoming	113	-48.2	-73.3	93	20	654	-27.5	-73.2	75	579	5,715	-48.3	28,826	-41.6
Region XII:														
California	22,593	-40.5	-49.2	11,399	11,194	141,035	-30.1	-42.0	15,513	125,522	447,715	-11.7	2,563,036	-19.8
Nevada	110	-39.6	-74.0	85	25	695	-40.0	-74.1	20	675	3,734	-41.3	23,626	-55.0
Oregon	759	-5.7	-78.7	452	307	3,245	-31.0	-74.6	318	2,927	35,522	-26.4	176,893	-39.9
Washington	1,060	-57.1	-87.7	634	426	5,080	-35.6	-80.1	788	4,292	67,988	-48.1	280,647	-45.7
Territories:														
Alaska	10	(¹)	(¹)	(¹)	(¹)	67	+17.5	-71.0	(¹)	(¹)	435	-70.3	2,723	-66.4
Hawaii	54	-12.9	-70.0	38	16	310	-53.9	-60.3	17	293	2,447	-23.8	16,739	-30.3

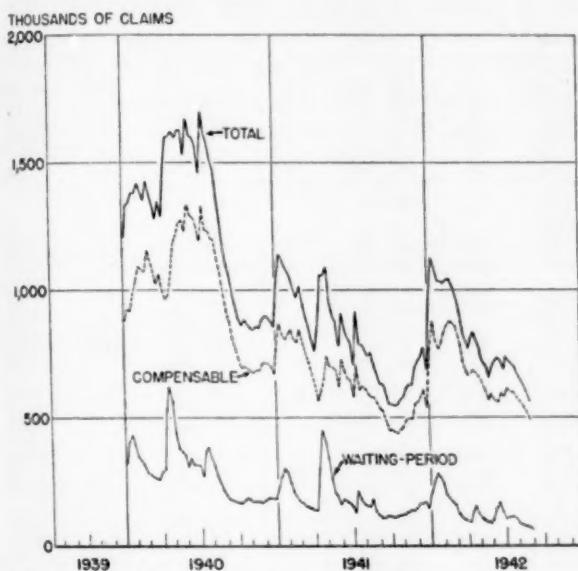
¹ All initial claims reported as new claims in Florida, Ohio, Oklahoma, Pennsylvania, Virginia, and Wisconsin.

² Excludes all claims for partial unemployment.

³ Not computed, because less than 50 initial claims were reported for 1 or both periods.

States, including all the North Central and most of the New England and Rocky Mountain States (table 4). This group included 9 of the 10 States where uniform benefit years began in April and where, by August, many claimants were exhausting their benefit rights. Increased payments occurred in only 8 States; in each of them except Alaska, New Jersey, and Oregon sharp rises in initial-claim receipts had been reported for July, probably as a result of the filing of many new-benefit-year claims. The rise in New Jersey pay-

Chart 3.—Number of waiting-period and compensable continued claims received, for weeks ended in January 1940–August 1942¹



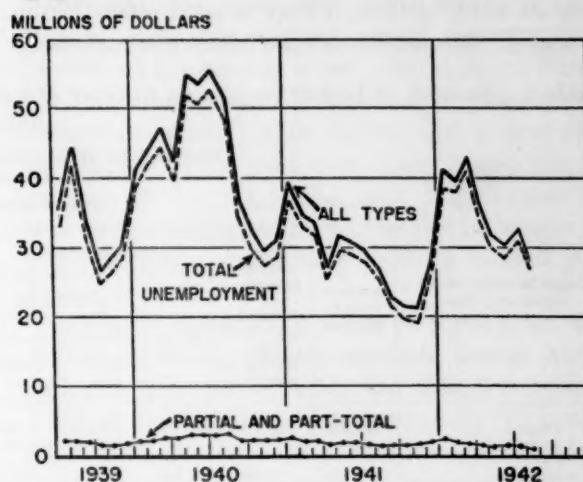
¹ Comparable data not available prior to January 1940.

ments was attributable to the disposition of a large backlog of unprocessed claims carried over from July.

The effects of war dislocations were still in strong evidence in several highly industrialized States and some Southern States where disbursements were substantially greater than in August 1941. On the other hand, declines from last year occurred in 33 States and were especially sharp in the North Central, Rocky Mountain, and Pacific Coast States, where employment has expanded greatly. Compared with August 1940, payments were greater in New Jersey and Illinois only, but in each of these States fewer weeks of unemployment were compensated.

For the second consecutive month, New York's disbursements exceeded those of any other State

Chart 4.—Amount of unemployment benefits paid, by type of unemployment, by month, July 1939–August 1942

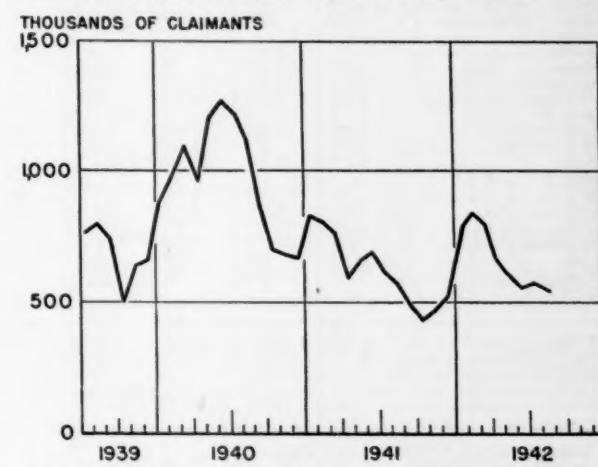


and were almost double the amount paid out in Illinois, which had the next highest benefit outlay. These States, together with California, Massachusetts, Michigan, New Jersey, and Pennsylvania, accounted for 72 percent of all disbursements as compared with 64 percent of the national benefit outlay in August 1941.

Although weeks of compensated partial unemployment in the 47 States reporting such data⁵ declined 11.3 percent from July to August, to the lowest total for any month this year (119,000), they constituted a slightly larger proportion of all weeks compensated than in July and the largest proportion for any month since January. Weeks

⁵ Excludes Montana, New York, Pennsylvania, Rhode Island.

Chart 5.—Average weekly number of claimants drawing benefits, by month, July 1939–August 1942¹



¹ Data for 1939 represent number of recipients during midweek of month.

of compensated partial unemployment were also relatively more important this month than in August 1941,⁶ although they totaled less. While,

* Based on 41 States reporting this type of payment during both periods.

in the 47 States as a whole, partial unemployment constituted 7.8 percent of all weeks compensated, the proportion was 25 percent in West Virginia because of partial unemployment among bitumi-

Table 4.—Number of benefit recipients, number of weeks compensated, and amount of benefits paid, by State, August 1942

[Data reported by State agencies, corrected to Sept. 18, 1942]

Social Security Board region and State	Benefit recipients		Weeks compensated for—				Benefits paid ¹					
	Average weekly number	Estimated number of different individuals during month	All unemployment		Total unemployment		Amount ²	Percent-age change from July 1942	Type of unemployment			
			Number	Percentage change from—	Number	Percent of all weeks			Total	Part-total ³	Partial ⁴	
Total	542,978	739,300	2,272,292	-13.2	-6.8	2,099,540	92.4	\$28,252,116	-13.4	\$26,817,920	\$458,994	\$940,257
Region I:												
Connecticut	6,833	9,900	28,985	-19.2	+67.4	26,435	91.2	365,468	-19.7	344,934	161	20,156
Maine	2,384	3,300	9,457	-29.2	-6.2	7,458	78.9	96,510	-27.3	74,161	2,180	14,169
Massachusetts	24,769	32,400	98,553	-31.1	-29.5	92,232	93.6	1,080,527	-30.4	1,044,628	4,236	30,932
New Hampshire	1,360	1,900	5,734	-17.3	-2.3	4,931	86.0	51,922	-16.6	47,615	207	4,108
Rhode Island	7,938	10,500	32,028	-40.6	+29.5	29,750	92.9	410,400	-39.3	393,481	(*)	(*)
Vermont	336	500	1,405	-26.4	-5.7	1,313	93.5	13,620	-25.2	13,006	184	420
Region II:												
New York	145,455	188,700	610,576	-10.1	+42.7	610,576	100.0	8,094,035	-11.7	8,094,035	(*)	(*)
Region III:												
Delaware	733	1,000	2,904	-32.9	+2.3	2,278	78.4	27,724	-30.8	23,878	204	3,617
New Jersey	30,042	44,400	129,981	+7.2	+13.6	111,431	85.7	1,678,257	+6.8	1,536,136	3,060	138,016
Pennsylvania	24,517	36,900	99,075	-8.9	-20.8	99,075	100.0	1,225,853	-6.3	1,225,853	(*)	(*)
Region IV:												
Dist. of Col.	1,524	2,000	6,496	-8.4	-45.4	6,273	96.6	85,679	-7.9	82,970	2,009	517
Maryland	5,940	8,200	25,704	-27.4	-39.7	20,062	78.1	322,447	-26.3	277,995	654	43,526
North Carolina	8,192	12,100	36,347	+7.3	-32.4	33,585	92.4	248,365	+8.6	238,482	1,191	8,539
Virginia	6,728	9,000	27,052	-34.4	-6.5	25,789	95.3	265,613	-31.3	258,128	4,484	2,983
West Virginia	5,926	8,700	22,985	-26.8	+5.5	17,127	74.5	244,218	-26.2	175,085	0	69,133
Region V:												
Kentucky	5,147	6,800	21,125	-25.0	-26.1	19,068	90.3	177,270	-21.9	166,470	6,721	3,522
Michigan	30,721	41,100	119,468	-9.5	-36.8	114,072	95.5	2,017,897	-7.9	1,961,366	27,184	29,347
Ohio	19,622	26,700	85,012	-8.6	+10.3	73,825	86.8	992,765	-9.7	910,403	15,761	66,375
Region VI:												
Illinois	75,816	100,100	313,522	-16.3	+71.3	262,913	83.9	4,180,630	-17.3	3,710,994	160,784	298,516
Indiana	10,036	14,000	41,626	-20.0	-10.8	37,082	89.1	497,434	-20.0	467,053	15,986	14,179
Wisconsin	4,179	5,900	17,589	-22.9	-28.2	15,037	85.5	218,894	-21.8	194,661	7,728	16,505
Region VII:												
Alabama	8,295	12,000	35,812	+14.9	-1.9	34,098	95.2	344,884	+19.6	332,867	9,764	2,229
Florida	9,702	14,500	42,226	+1.0	-46.2	39,078	92.5	422,427	+1.9	401,772	17,676	2,979
Georgia	8,554	12,000	37,065	-7.2	+4.5	35,548	95.9	337,032	-4.5	326,933	4,926	5,089
Mississippi	2,026	2,900	8,753	-12.2	-43.6	7,902	90.3	73,821	-16.3	69,257	1,447	3,113
South Carolina	3,360	4,700	14,749	-11.6	-29.3	13,843	93.9	119,254	-11.6	114,572	3,002	1,676
Tennessee	10,680	14,800	44,525	-8.4	-8.8	42,686	95.9	415,572	-7.9	403,498	8,056	4,018
Region VIII:												
Iowa	2,155	3,100	8,831	-24.4	-39.9	7,384	83.6	82,101	-27.5	73,188	4,478	4,154
Minnesota	4,449	5,900	18,083	-27.5	-33.7	15,363	85.0	215,223	-28.0	192,753	15,690	6,780
Nebraska	600	900	2,547	-28.4	-51.5	2,339	91.8	24,376	-27.1	22,967	671	722
North Dakota	196	200	775	-46.0	-57.0	638	82.3	6,897	-52.0	5,822	486	589
South Dakota	149	200	600	-43.9	-68.9	549	91.5	5,410	-41.0	5,077	277	34
Region IX:												
Arkansas	3,387	6,000	14,590	+89.6	-60.4	13,989	95.9	118,610	+92.2	114,876	976	2,758
Kansas	1,630	2,200	7,103	-22.9	-49.6	6,480	91.2	72,985	-22.6	68,495	2,437	2,033
Missouri	11,064	16,200	46,604	-10.9	-11.3	42,123	90.4	537,746	-11.5	509,209	5,273	22,921
Oklahoma	3,684	5,000	14,865	-22.9	-2.6	13,607	91.5	175,222	-22.6	164,260	10,162	800
Region X:												
Louisiana	8,225	12,100	35,804	-3.6	-54.5	33,858	94.6	348,223	-1.6	333,586	6,133	8,227
New Mexico	415	500	1,667	-36.2	-69.3	1,606	96.3	15,665	-36.7	15,190	361	114
Texas	6,979	10,100	28,860	-18.5	-51.3	26,420	91.5	241,635	-19.3	227,687	13,314	447
Region XI:												
Arizona	490	700	2,035	-21.5	-68.7	1,988	97.7	22,935	-22.4	22,507	428	0
Colorado	1,031	1,300	3,988	-44.3	-68.9	3,577	89.7	39,442	-46.0	36,192	841	2,353
Idaho	356	600	1,547	+35.2	-64.1	1,504	97.2	13,139	+15.3	12,816	305	0
Montana	567	700	2,351	-33.7	-71.9	2,351	100.0	23,439	-36.1	23,439	(*)	(*)
Utah	568	800	2,137	-13.1	-78.7	1,958	91.6	30,303	-11.4	28,330	1,467	506
Wyoming	98	100	412	-28.1	-81.0	324	78.6	4,133	-30.7	3,377	154	602
Region XII:												
California	33,779	44,200	150,370	-13.7	-36.3	131,758	87.6	2,155,861	-13.7	1,969,256	93,094	91,260
Nevada	123	200	492	-37.3	-80.5	469	95.3	6,366	-36.7	6,177	67	122
Oregon	819	1,300	4,093	+11.0	-58.0	3,021	73.8	46,737	+5.9	38,790	2,016	5,577
Washington	1,136	1,700	4,851	-27.4	-74.7	3,902	80.4	50,393	-30.3	41,746	2,623	6,024
Territories:												
Alaska	76	100	361	+9.1	-71.4	353	97.8	4,836	+6.6	4,782	54	0
Hawaii	127	200	572	-27.6	+10.2	512	89.5	7,921	-20.6	7,165	77	499

¹ Not adjusted for voided benefit checks.

² Includes supplemental payments, not classified by type of unemployment.

³ Benefits for partial and part-total unemployment are not provided by State law in Montana, New York, Pennsylvania.

⁴ Excludes Rhode Island; data not reported.

nous-coal miners, and somewhat more than 20 percent in Delaware and Maryland, primarily as a result of curtailed activity in the apparel industry.

The 191,000 first payments issued during August to claimants starting new benefit years marked a decline of one-third from the total for the previous month, in contrast to the slight increases of the past 2 years. In 1940 and 1941, sharp July-August increases in Michigan largely accounted for the rise for the Nation as a whole. This year the declining volume of new unemployment resulted in a decline in first payments from July to August in Michigan. Most of the other States also shared in the July-August decline. More than half of the drop, however, was accounted for by a marked reduction in New York, where the beginning of the benefit year had caused first payments to be exceptionally numerous during July. First payments for the country as a whole during

August were one-third below the number for last August and three-fifths less than in August 1940.

Beneficiaries who exhausted their rights to further payments in their benefit year numbered 76,100, or 1.9 percent more than in July. Except for July, however, the number of persons who exhausted benefit rights was less than in any other month on record and less than three-fifths the number in August 1941. The July-August rise was due primarily to sharp increases in Illinois and West Virginia, where new uniform benefit years began in April.

Status of funds.—Deposits of more than \$130 million in State clearing accounts during August brought total deposits for the first 8 months of 1942 to \$823 million,⁷ approximately 15 percent more than for the same period last year (table 5). The substantial expansion in covered employment

⁷ Excludes August data for Florida, Indiana, Missouri.

Table 5.—*Collections deposited in State clearing accounts, January-August 1942, and funds available for benefits as of August 31, 1942, by State*

[Data reported by State agencies, corrected to Sept. 22, 1942]

Social Security Board region and State	Collections deposited ¹ January-August 1942		Funds available for benefits ² as of Aug. 31, 1942 ³	Social Security Board region and State	Collections deposited ¹ January-August 1942		Funds available for benefits ² as of Aug. 31, 1942 ⁴
	Amount	Percentage change from January-August 1941			Amount	Percentage change from January-August 1941	
Total.....	\$822,677,000	+14.6	\$3,099,739,244	Region VII:—Continued.			
Region I:				South Carolina.....	4,603,184	+4.4	19,802,748
Connecticut.....	19,905,455	+13.8	82,443,333	Tennessee.....	10,548,701	+35.3	27,122,317
Maine.....	5,161,190	+47.6	11,953,065	Iowa.....	6,319,270	+2.5	28,025,651
Massachusetts.....	28,707,361	-13.9	129,384,958	Minnesota.....	9,457,835	+19.9	33,265,229
New Hampshire.....	3,537,658	+56.9	11,163,214	Nebraska.....	1,689,466	+12.5	11,238,241
Rhode Island.....	12,200,892	+27.7	30,526,357	North Dakota.....	580,960	(*)	2,689,452
Vermont.....	1,421,623	+15.1	5,803,570	South Dakota.....	497,633	-16.6	4,019,018
Region II:				Region IX:			
New York.....	129,462,067	+22.7	377,931,604	Arkansas.....	4,311,105	+58.6	12,037,114
Region III:				Kansas.....	4,466,085	+12.4	20,228,413
Delaware.....	1,349,243	-32.7	10,444,569	Missouri.....	16,468,324	(*)	89,431,694
New Jersey.....	47,475,735	+7.4	216,681,032	Oklahoma.....	4,737,848	-2.5	23,867,251
Pennsylvania.....	87,762,804	+25.5	288,844,470	Region X:			
Region IV:				Louisiana.....	9,124,545	+24.1	26,086,601
District of Columbia.....	6,055,656	+31.1	30,118,310	New Mexico.....	1,162,575	+4.9	4,088,195
Maryland.....	16,540,081	+39.3	47,390,962	Texas.....	13,477,585	(*)	77,108,166
North Carolina.....	13,039,826	(*)	44,801,676	Region XI:			
Virginia.....	8,433,453	+12.7	33,432,786	Arizona.....	2,376,509	+31.1	6,834,223
West Virginia.....	7,715,699	(*)	34,417,437	Colorado.....	3,880,155	+6.2	16,496,841
Region V:				Idaho.....	1,885,706	+19.2	4,676,180
Kentucky.....	9,657,094	+8.2	49,085,859	Montana.....	2,349,733	+9.1	7,212,935
Michigan.....	43,334,916	-12.3	131,929,202	Utah.....	2,973,477	+35.3	7,837,338
Ohio.....	41,447,376	-20.8	259,025,814	Wyoming.....	991,831	+6.6	3,502,107
Region VI:				Region XII:			
Illinois.....	71,572,670	+23.8	292,144,670	California.....	82,452,789	+25.6	252,664,518
Indiana.....	19,807,756	(*)	378,834,984	Nevada.....	1,488,407	+91.9	2,750,207
Wisconsin.....	8,238,611	(*)	74,725,224	Oregon.....	7,885,673	+37.3	22,937,651
Region VII:				Washington.....	15,908,941	+68.6	45,437,172
Alabama.....	10,200,814	+26.4	33,913,404	Territories:			
Florida.....	5,367,810	(*)	17,374,524	Alaska.....	888,647	+69.4	2,612,156
Georgia.....	8,499,974	+11.5	36,898,229	Hawaii.....	1,760,758	+24.1	10,671,523
Mississippi.....	3,225,434	+33.0	7,827,160				

¹ Represents contributions from employers, plus such penalties and interest as are available for benefits, and contributions from employees. Adjusted for refunds of contributions and for dishonored contribution checks. Current contribution rates, as a percent of taxable wages, are as follows: For employers, 2.7 percent in all States except Michigan, where rate is 3.0 percent; for employees, 0.5 percent in Rhode Island, and 1.0 percent in Alabama, California, and New Jersey. 34 States have adopted experience rating which modifies above rates. All States collect contributions either wholly or in part on quarterly basis.

² Represents sum of balances at end of month in State clearing account and benefit-payment account, and in State unemployment trust fund account maintained in the U. S. Treasury. State unemployment trust fund accounts reflect transfers to railroad unemployment insurance account.

³ As of July 31, 1942, for Florida, Indiana, and Missouri.

⁴ Excludes Florida, Indiana, and Missouri for August; data not reported.

⁵ Based on data for 43 States. See footnotes 4 and 6.

⁶ Not computed, because contributions for the 2 periods compared relate to wages paid during different numbers of months.

under the impetus of the war program indicates that collections for the year will easily exceed the billion-dollar record of 1941. Collections during the first 8 months of 1942 topped the total for the corresponding period last year in all but six of the States;⁸ in these six States, experience-rating tax reductions have served to reduce collections. Funds available for benefit payments at the end of August totaled \$3.1 billion,⁹ an increase of approximately 4 percent over the previous month and of 35 percent over the balance as of August 31, 1941.

Allowances and Disallowances of New Claims, April-June 1942

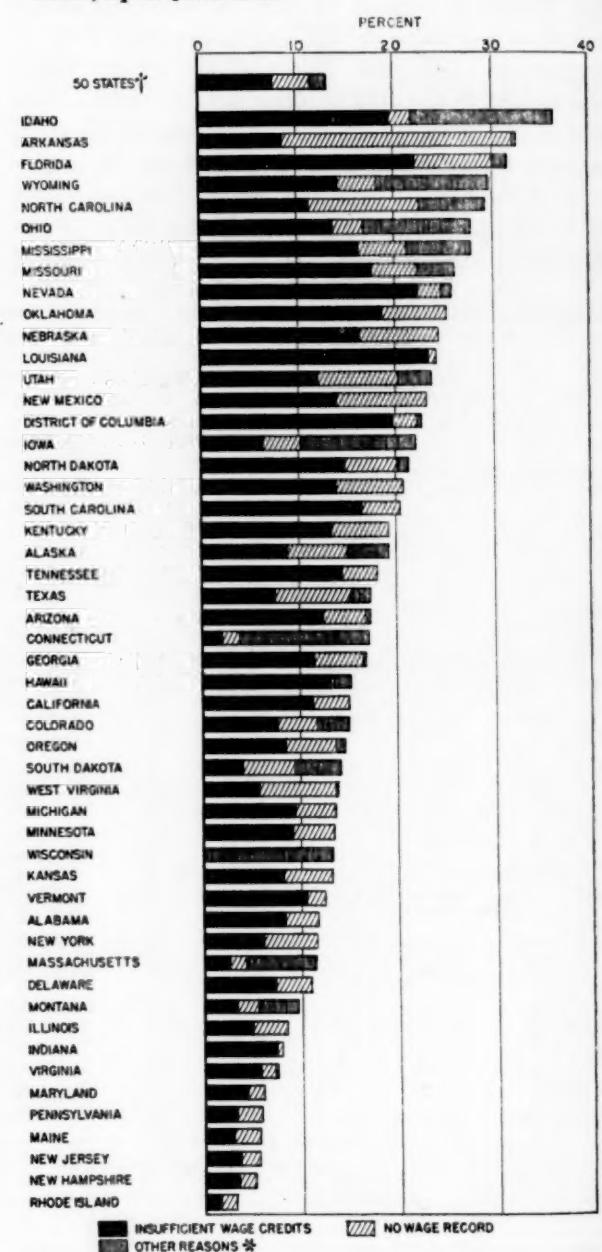
In April-June 1942, disallowances comprised the smallest recorded proportion of new claims disposed of on first determination. Only 189,000, or 13 percent of the 1.4 million new claims initially adjudicated (table 6), were ruled invalid as compared with 19 percent in the previous quarter and 16 percent in April-June 1941. More regular employment and greater earnings of potential claimants during the past year probably account for most of the decline in the disallowance rate, although liberalization of eligibility requirements was a contributory factor in some States.

New claims reopened for further consideration totaled 115,000 during the quarter,¹⁰ an increase of almost a third over the previous quarter and the largest number since April-June 1941. Reopenings, which had represented only 5.4 percent of total dispositions during the first quarter of 1942, rose to 7.4 percent in the second quarter—a slightly lower figure than that in the second quarter of either 1941 or 1940. A larger proportion of contested determinations was sustained during the April-June period than in any previous quarter. The original determination was upheld in more than three-fourths of all such cases, as compared with only two-thirds in both the previous quarter and the corresponding quarter of last year.

Disallowances.—Only 12 States reported increases from the first to the second quarter of the year in the proportion of new claims disallowed on first determination, and Florida, Idaho, Oregon,

and Washington were the only States with appreciable increases. In Florida the increase was due chiefly to a rise in the proportion of disallowances for insufficient wage credits, while in Idaho it was primarily the result of a higher rate of disallowances for reasons other than insufficient wage credits or absence of wage records.

Chart 6.—Percent of new claims disallowed on first determination, by reason for disallowance and by State, April-June 1942



⁸ Delaware, Massachusetts, Michigan, Ohio, Oklahoma, South Dakota.

⁹ Includes data as of July 31, 1942, for Florida, Indiana, Missouri.

¹⁰ Excludes data for Connecticut, District of Columbia, Indiana.

†Excludes Wisconsin, because provisions of State law are not comparable.
*Includes some claims not allocated by reason for disallowance where provision of State law is not comparable.

Marked declines from the first quarter of the year in the disallowance rate occurred in seven States.¹¹ With the exception of Kentucky, all

¹¹ Colorado, Illinois, Kentucky, Maine, Massachusetts, Rhode Island, Virginia.

these States have uniform benefit years beginning in April. Since they also reported sharp declines from the first to the second quarters of 1940 and 1941, it would appear that individuals filing new claims at the start of a new benefit year are more

Table 6.—Number of new claims disposed of on first determination and percent disallowed by reason for disallowance, by quarter, October 1941–June 1942

Region ¹ and State	October–December 1941				January–March 1942				April–June 1942						
	Total dispositions	Percent disallowed for—			Total dispositions	Percent disallowed for—			Total dispositions	Percent disallowed for—					
		All reasons	Insufficient wage credits	No wage record		All reasons	Insufficient wage credits	No wage record		All reasons	Insufficient wage credits	No wage record	Other		
Total	1,113,018	20.3	12.9	6.2	1.4	1,502,954	18.9	12.1	5.7	0.9	1,446,957	13.1	7.6	3.9	1.5
Region I:															
Connecticut	16,633	23.8	6.1	3.7	14.0	20,502	23.0	6.2	5.3	11.5	26,128	17.4	2.1	1.7	13.6
Maine	7,346	15.4	7.0	8.4	0	5,100	29.7	13.1	16.6	0	14,949	5.9	3.0	2.9	0
Massachusetts	48,920	20.8	7.9	4.8	8.1	44,435	21.6	7.9	6.5	7.2	88,194	11.3	2.6	1.5	7.2
New Hampshire	5,029	12.7	9.0	3.7	0	7,988	10.1	6.6	3.5	0	5,731	5.1	3.6	1.5	0
Rhode Island	13,632	15.6	5.6	10.0	0	10,987	13.1	5.5	7.6	0	32,628	3.3	1.7	1.6	0
Vermont	1,707	22.6	19.8	2.8	0	3,138	18.1	15.9	2.2	0	1,351	12.7	10.6	2.1	0
Region II:															
New York	128,486	18.3	10.6	7.7	0	136,537	20.5	10.5	10.0	0	343,558	11.4	6.6	4.8	0
Region III:															
Delaware	2,768	19.5	13.3	6.2	0	5,682	15.7	11.3	4.4	0	2,155	11.0	7.5	3.5	0
New Jersey	67,513	11.3	7.8	3.5	0	86,724	9.7	6.7	3.0	0	58,575	5.8	3.7	2.1	0
Pennsylvania	80,656	12.2	7.2	5.0	0	107,619	8.7	5.6	3.1	0	59,249	6.1	3.5	2.6	0
Region IV:															
District of Columbia	4,705	26.0	22.4	3.2	.4	5,855	22.8	19.5	3.1	.2	2,785	22.6	19.9	2.4	.3
Maryland	11,294	14.0	7.8	6.2	0	24,808	10.4	5.7	4.6	.1	18,355	6.3	4.1	2.2	0
North Carolina	21,653	30.8	18.9	13.8	4.1	29,614	27.9	11.3	13.8	2.8	12,552	29.3	11.2	11.4	6.7
Virginia	10,025	19.8	8.4	2.8	8.6	9,562	20.9	7.9	4.6	8.4	24,088	7.6	5.9	1.6	.1
West Virginia	9,077	14.4	1.1	13.3	0	11,110	15.7	1.5	14.2	0	20,930	13.9	5.8	7.9	.2
Region V:															
Kentucky	12,862	27.3	18.2	9.1	0	18,264	29.2	18.6	10.6	0	13,302	19.4	13.3	6.1	0
Michigan	67,530	17.6	14.4	3.1	.1	118,311	15.3	10.5	4.8	0	58,667	13.7	9.6	4.1	0
Ohio	53,698	30.9	23.0	4.9	3.0	101,216	25.9	20.2	3.8	1.9	49,667	27.9	13.8	3.0	11.1
Region VI:															
Illinois	73,410	15.8	8.5	7.3	0	78,470	20.7	10.2	10.5	0	235,823	8.7	5.0	3.7	0
Indiana	29,961	10.5	10.4	.1	0	55,667	7.5	7.4	.1	0	27,799	7.9	7.6	.3	0
Wisconsin ¹²	18,722	9.4	(1)	(1)	(1)	31,949	6.8	(1)	(1)	(1)	11,756	13.2	(1)	(1)	(1)
Region VII:															
Alabama	11,325	14.8	11.1	3.7	0	20,114	15.7	12.2	3.5	0	12,557	11.5	8.3	3.2	0
Florida	20,380	33.8	24.0	8.0	1.8	30,440	26.7	18.5	6.8	1.4	20,592	31.6	22.1	7.9	1.6
Georgia	20,159	23.1	14.8	7.7	.6	24,801	25.3	16.3	8.6	.4	20,044	17.0	11.5	5.2	.3
Mississippi	10,293	34.7	19.1	12.2	3.4	15,283	30.6	21.5	5.9	3.2	8,131	27.9	16.2	5.1	6.6
South Carolina	14,144	24.9	19.7	5.2	0	22,561	20.8	16.2	4.6	0	10,300	20.5	16.4	4.1	0
Tennessee	22,181	24.4	19.5	4.9	0	34,649	22.8	18.0	4.8	0	19,945	18.2	14.5	3.7	0
Region VIII:															
Iowa	10,822	30.6	12.2	6.8	11.6	27,274	21.4	10.8	5.0	5.6	11,025	22.1	6.7	3.8	11.6
Minnesota	20,579	19.2	13.6	5.6	0	37,563	16.8	12.4	4.4	0	14,420	13.5	9.3	4.2	0
Nebraska	5,803	31.3	21.5	9.8	0	10,497	25.8	18.4	7.4	0	2,780	24.8	16.3	8.5	0
North Dakota	1,496	32.5	20.7	10.0	1.8	3,181	28.9	20.9	7.3	.7	1,027	21.3	14.7	5.4	1.2
South Dakota	1,976	20.7	5.7	7.6	7.4	3,228	17.0	6.4	7.7	2.9	1,307	14.2	3.9	5.5	4.8
Region IX:															
Arkansas	8,389	21.2	7.8	13.3	.1	9,629	28.9	9.9	18.8	.2	3,462	32.5	8.6	23.7	.2
Kansas	9,186	15.2	10.2	5.0	0	13,865	15.2	9.9	5.3	0	5,822	13.1	8.2	4.9	0
Missouri	33,037	29.6	20.1	6.7	2.8	47,177	32.0	23.4	6.4	2.2	31,308	26.0	17.6	4.8	3.6
Oklahoma	10,259	28.6	20.1	8.5	0	19,310	28.5	20.9	7.6	0	12,199	25.3	18.9	6.4	0
Region X:															
Louisiana	33,076	28.1	21.5	6.6	0	35,472	29.9	26.8	3.1	0	23,545	24.3	23.6	.7	0
New Mexico	2,848	33.0	17.7	15.3	0	5,656	28.4	18.1	10.3	0	2,530	23.3	13.9	9.4	0
Texas	28,433	23.7	10.2	11.2	2.3	39,834	21.1	10.1	9.7	1.3	26,677	17.6	7.6	8.0	2.0
Region XI:															
Arizona	3,965	16.2	13.4	2.7	.1	4,855	17.2	14.8	2.3	.1	2,384	17.6	12.6	4.5	.5
Colorado	5,261	28.8	13.9	12.1	2.8	8,214	31.2	13.5	15.0	2.7	7,879	15.1	7.7	4.2	3.2
Idaho	3,708	33.1	17.1	3.6	12.4	7,970	24.2	15.6	1.4	7.2	1,681	36.3	19.7	2.1	14.5
Montana	4,813	11.6	5.4	2.9	3.3	8,960	8.6	4.4	2.4	1.8	2,101	9.8	3.6	2.0	4.2
Utah	4,439	20.8	17.2	3.5	.1	4,417	23.3	17.2	5.9	.2	999	23.8	12.3	7.9	3.6
Wyoming	2,139	32.5	17.8	6.9	7.8	3,050	32.0	21.7	5.8	4.5	972	29.8	14.2	3.9	11.7
Region XII:															
California	105,787	19.0	14.8	4.2	0	158,618	18.0	14.0	4.0	0	79,823	15.1	11.2	3.9	0
Nevada	1,885	32.8	20.2	11.2	1.4	2,419	27.6	23.4	3.1	1.1	613	25.8	22.4	2.4	1.0
Oregon	8,140	28.3	10.6	14.8	2.9	32,800	9.2	6.2	2.1	.9	4,207	14.8	8.6	5.1	1.1
Washington	20,389	28.1	14.6	13.4	.1	34,652	23.6	15.0	8.6	(1)	8,719	20.8	14.0	6.8	(1)
Territories:															
Alaska	861	31.2	13.7	11.1	6.4	1,274	27.2	12.0	8.4	6.8	568	19.4	9.0	6.0	4.4
Hawaii	1,519	20.0	19.7	.1	.2	1,744	21.3	19.9	.2	1.2	828	15.3	13.2	.3	1.8

¹ Social Security Board region.

² Excludes Wisconsin, for which data are not comparable because of provision of State law.

³ Includes disallowances for insufficient weeks of employment in base period.

⁴ Data represent dispositions of all initial claims for total and part-total unemployment.

⁵ Less than 0.05 percent.

likely to be eligible for benefits than those filing at some other time in the benefit year.

As compared with April-June 1941, the proportion of new claims disallowed on first determination was higher in 18 States. In 4 of these¹² the increase was due to the enactment of more stringent eligibility requirements. In the others, changing earnings and employment patterns of individual claimants as well as administrative factors, such as abandonment of the practice of discouraging obviously ineligible individuals from filing claims, probably account for the increase over last year in the disallowance rate.

Reopened claims.—While in 30 States the proportion of reopenings to total new-claim dispositions was lower than the national average of 7.4 percent, in 8 States the proportion was at least 15 percent. In Oregon, where there were nearly 90 reopenings per 100 dispositions, the high rate was due to a recent State supreme court decision which necessitated a reexamination of all seasonal claims filed since 1938. Oregon reopenings represented 29 percent of the national total. In Kentucky and Nebraska, respectively, 28 and 29 of every 100 dispositions represented reopenings, while in Missouri the proportion was 20 of every 100. In each of these 8 States, this figure was appreciably higher than in either the previous quarter or the same quarter of 1941. Likewise, a majority of the States reported increases over rates for the first quarter of 1942 and the second quarter of 1941, but in almost every case the rise

¹² Missouri, Nevada, Ohio, Oklahoma.

was slight. On the other hand, substantial declines from January-March 1942 in the relative volume of rehandled claims occurred in Illinois, Maine, and West Virginia; compared with April-June 1941, Illinois, Iowa, New York, and Ohio had marked declines.

Eleven¹³ of the States reported that more than half of all reopenings resulted in reversals of the previous determination, and in each of these the reversals, for the most part, consisted of allowances of previously disallowed claims. In 8 of the 11 States,¹⁴ however, reopenings constituted a smaller-than-average proportion of total dispositions.

Claims previously allowed constituted more than two-thirds of all redeterminations. Only 5.7 percent of these determinations were reversed, slightly less than the proportion in the previous quarter. Although in most of the States reversals of allowances were negligible, in Massachusetts they constituted more than one-half, and in 6 other States¹⁵ from one-fifth to two-fifths of all reopenings of allowed claims. The number of disallowances reversed exceeded the number sustained in most of the States. While for the country as a whole three-fifths of all reopened disallowances were reversed, in 13 States¹⁶ reversals comprised four-fifths or more of all claims previously disallowed.

¹³ Alabama, Alaska, Arizona, Georgia, Idaho, Maryland, New Mexico, North Carolina, Rhode Island, South Carolina, Washington.

¹⁴ All but Idaho, New Mexico, Washington.

¹⁵ Georgia, Iowa, Mississippi, Nebraska, New Mexico, South Dakota.

¹⁶ Alabama, Alaska, Hawaii, Idaho, Michigan, Montana, North Carolina, Rhode Island, South Carolina, Texas, Utah, Virginia, Washington.

Unemployment Compensation Legislation During 1942 *

During 1942 the legislatures of 15¹ States convened in either regular or special session, and all but 3 of these States² amended their employment security laws. Especially noteworthy was the legislation enacted in New York and Rhode Island. New York amended its unemployment compensation law to pay benefits with respect to days rather than weeks of unemployment. Rhode Island established the first State system for the compensation of unemployment resulting from illness; cash benefits are to become payable April 1, 1943.

As a result of the sharp increase in unemployment resulting from conversion of the automobile industry to war production, Michigan liberalized its benefit formula by raising the weekly benefit amount from 4 to 5 percent of high-quarter earnings, increased both its maximum and minimum weekly amounts, and increased the maximum number of weeks for which the claimant could receive benefits. These more liberal provisions are to remain in effect, however, only until May 31, 1943, at which time Michigan is to revert to its previous benefit formula.

Several States liberalized benefit provisions through changes in the benefit formula. Four States enacted provisions to protect benefit rights of workers called into military service; 42 States now have such provisions. In addition a few important amendments were adopted with respect to contributions and employment exclusions.

Benefits.—Benefit provisions were substantially amended in several States. Six States increased either the minimum or maximum weekly benefit amount or both; four States increased the maximum benefit duration; and four States revised the method of computing benefit rates.

The minimum weekly benefit amount was increased in Kentucky from \$4 (actually, \$8 for the 2-week period used by Kentucky) to \$5; in Michigan from \$7 to \$10; in Pennsylvania from \$7.50 to \$8; in Rhode Island from \$6 to \$6.75; and in Virginia from \$3 to \$4. The maximum weekly benefit amount was raised in Kentucky from \$15 (actually, \$30 for a 2-week period) to

\$16; in Michigan from \$16 to \$20; in New York and Pennsylvania from \$15 to \$18; and in Rhode Island from \$16 to \$18.

The maximum duration of benefits was increased in Michigan from 18 to 20 weeks; in New York from 13 to 20 weeks; in Pennsylvania from 13 to 16 weeks; and in Rhode Island from a schedule of maximum total benefits equaling 18-30 percent of base-period wages to 20-34 percent of such wages.

Kentucky returned to the 1-week unit as the basis of measuring total unemployment, after experimenting for 2 years with the 2-week basis. Texas is the only State that now uses the 2-week period for measuring total unemployment.

Proposals for a "day-base" benefit plan were considered in New York and Pennsylvania, but only New York adopted a plan, to become operative November 30, 1942. Temporary provisions for the period June 1 to November 30 provide a maximum weekly benefit amount of \$18 and a uniform benefit duration of 20 weeks. Under the "day-base" plan the old benefit rate of $\frac{1}{3}$ of total wages in the high quarter of the base period is retained, but payments will be made for days rather than weeks of unemployment. For each accumulation of 4 "effective days," benefits are payable in even-dollar amounts varying from \$7 to \$18, as provided in a schedule. An "effective day" is defined as the fourth and every subsequent day of total unemployment in a week. Benefit duration is established as 20 times the benefit amount in the benefit year.

Since the "day-base" plan will result in the payment of partial benefits in New York, Montana and Pennsylvania will be the only States which do not provide benefits for partial unemployment.

Pennsylvania, one of the 5 States³ which compute benefits on the basis of full-time weekly wages, retained this formula with modifications. The former provision that benefits shall be payable at the rate of 50 percent of the full-time weekly wage (minimum benefit \$7.50, maximum \$15, and maximum total benefits equal to the lesser of $\frac{1}{3}$ of base-period wages or 13 times the weekly benefit amount) is replaced by a schedule of weekly benefit amounts equivalent to 50 percent of the full-time weekly wage or $\frac{1}{3}$ of high-quarter wages. More-

* Covers legislative enactments up to October

¹ Arizona, California, Illinois, Kentucky, Louisiana, Maine, Massachusetts, Michigan, Mississippi, New Jersey, New York, Pennsylvania, Rhode Island, South Carolina, Virginia.

² Arizona, Illinois, Massachusetts.

³ The other 4 are Arizona, Iowa, Louisiana, and Vermont.

over, under the new provisions, weekly benefit amounts and duration are modified by the condition of the fund. If the balance in the fund exceeds $1\frac{1}{2}$ times the highest amount of benefits paid during any 12 consecutive months, weekly benefit amounts will range from \$8 to \$18, and maximum total benefits (shown in the same schedule) will equal approximately $\frac{1}{2}$ of base-period wages. If the balance falls below that ratio, another schedule goes into effect, with weekly benefit amounts varying from \$8 to only \$15, and maximum total benefits approximating only $\frac{1}{3}$ of base-period wages. Under either schedule, benefit duration ranges from 3 to 16 weeks, and benefits are rounded to the nearest multiple of \$1, instead of 5 cents.

Benefit eligibility provisions.—In line with the trend during 1940 and 1941, the waiting period was shortened in 5 States—from 2 weeks to 1 week in Kentucky, Michigan, and Virginia, and from 3 to 2 weeks in New York and Pennsylvania. When the "day-base" plan becomes operative, the waiting period in New York will be 8 "effective days" in the benefit year, but this period will be equivalent to 2 weeks, since an "effective day" means the fourth and every subsequent day of unemployment in a week.

The qualifying wage provision was amended only in Pennsylvania, where a requirement of 13 times the weekly benefit amount in the base year was replaced by a qualification of \$50 in each of 2 quarters in the base year.

Military service.—At the close of the 1941 legislative sessions, 38 States had enacted provisions to protect the benefit rights of persons in military service; during 1942, 4 more States—Kentucky, Mississippi, Pennsylvania, and Virginia—enacted legislation of this type. Under the Kentucky provision, as in most States, any period of time spent in military service is not considered as elapsed time for the purpose of computing the base period for payment of benefits. The Virginia law established a special base period consisting of the 8 completed quarters immediately preceding entry into service and the incompletely portion of the calendar quarter, if any, prior to such entry, regardless of any benefits already paid with respect to such period. In Mississippi and Pennsylvania the administrative agency was directed to prescribe regulations for preserving benefit rights of persons in military service.

California enacted a supplementary provision

extending the protection of benefit rights to members of the State Guard, who were not mentioned in the 1941 provisions. New York liberalized its 1941 law by repealing a provision which would restrict the preservation of benefit rights to individuals with only 1 year of military service.

Cash sickness compensation.—Rhode Island's cash sickness compensation law is identical in many essential features with the State's unemployment compensation law, and is administered by the Unemployment Compensation Board. It requires each employee subject to the unemployment compensation law to contribute 1 percent of his annual wages up to \$3,000 to the cash sickness compensation fund after June 1, 1942.

Benefit rate and duration are the same as for unemployment compensation. The weekly benefit amount is determined according to a weighted schedule of high-quarter earnings, with a minimum of \$6.75 and a maximum of \$18. Benefit duration is established in a schedule of wage classes; amounts range from 20 to 34 percent of base-period wages. Also identical with the unemployment compensation law are the wage qualification of \$100 in the base year and the definitions of base period and benefit year. The waiting period is 1 week in the benefit year.

Disqualifications.—The 1941 trend toward more stringent disqualification provisions did not continue in 1942. Kentucky, Michigan, Pennsylvania, and Virginia adopted changes in disqualification provisions, but the changes tended to mitigate slightly the severity of disqualifications. Kentucky reduced from 2 weeks to 1 week the minimum disqualification period and the corresponding minimum reduction in benefit duration with respect to voluntary leaving, discharge for misconduct, refusal of suitable work, and misrepresentation to obtain benefits.

Michigan eliminated the provision restricting disqualification for voluntary leaving to leaving of the "most recent" work only. Pennsylvania provided that an individual shall not be disqualified for voluntary leaving unless such leaving is without good cause. Virginia repealed disqualifications for receipt of wages in lieu of notice, compensation for temporary partial disability, and old-age benefits.

Coverage.—A number of States considered proposals for extending coverage to small firms, but no legislation was finally enacted on this subject.

Provisions relating to employment exclusions, however, were amended in Pennsylvania and Virginia. Pennsylvania adopted exclusions, in conformity with the Federal Unemployment Tax Act, which affect casual laborers, newsboys, insurance agents, student nurses, internes, and certain other groups whose earnings are small; the comprehensive Federal definition of agricultural labor was also adopted. Both Pennsylvania and Virginia authorized reciprocal agreements with other State and Federal unemployment compensation agencies relating to employment exclusions and inclusions.

Contributions.—In line with the trend of the past 2 years, Pennsylvania changed the contribution base from "wages paid or payable" to "wages paid." Kentucky's repeal of employee contributions leaves only 4 States—Alabama, California, New Jersey, and Rhode Island—which now require contributions from workers. Although Rhode Island reduced the rate from 1.5 to 0.5 percent, employees still pay a total tax of 1.5

percent, since they are subject to the 1-percent tax under the cash sickness compensation law.

Experience-rating provisions were amended in Kentucky, South Carolina, and Virginia. Kentucky repealed a 3.7-percent penalty rate, leaving the standard rate of 2.7 percent as the maximum. Virginia repealed a provision for reducing employers' rates by as much as 0.3 percent whenever the balance in the fund exceeded 5.5 percent of the largest amount of pay rolls in any year. South Carolina and Virginia adopted provisions relating to transfer of experience-rating accounts. In addition, Pennsylvania, which has no provision for experience rating, provided for study of the problem.

Administration.—Virginia vested the administration of unemployment compensation in a single commissioner and abolished the former 3-member commission. The administrative agency was authorized to establish a 3-member board of review to hear appeals from the decisions of initial appeal authorities.

Railroad Unemployment Insurance*

Employment on class I steam railroads increased by 6,100 from mid-July to mid-August, according to a tabulation of preliminary figures obtained from the Interstate Commerce Commission. There were, nevertheless, decreases of 6,200 in maintenance-of-way employment, 1,100 in train and engine service, 1,700 in maintenance of equipment and stores, and 1,000 in other branches of railroad work on some of the roads. In New England and the northern tier of States west of the Great Lakes, the annual lay-offs of maintenance-of-way workers seem to have begun. Eight of the eleven large railroads in New England reported decreases in this branch of service, as did seven of the nine large roads in the States west of Lake Michigan and bordering on Canada. These lay-offs resulted in an increase in railroad unemployment insurance benefits in August, the first increase in the number of benefit payments recorded since last January. Lay-offs of maintenance-of-way and structures employees are expected to spread southward as unfavorable weather conditions make outdoor work difficult or impossible.

*Prepared by the Office of Director of Research, Railroad Retirement Board, in collaboration with the Bureau of Research and Statistics, Social Security Board.

Claims for unemployment compensation.—The number of claims adjudicated in August was 15,200. Some 2,600 were processed a second time, mainly because the claimants had failed to submit certificates of benefit rights, an essential part of the initial claim for unemployment compensation in the new benefit year. More than 11 percent of the claims were for periods of unemployment too short for compensation.

Applications for certificate of benefit rights.—Applications for certificate of benefit rights were filed by 3,200 railroad workers in August. Since applications are made at the beginning of the first period of unemployment in a benefit year, the total number filed in July and August indicates that, although employment conditions are unusually favorable and the large fall and winter lay-offs of maintenance employees have just begun, approximately 9,700 railroad workers had already experienced unemployment in the new benefit year. During July and August, 9,200 certificates of benefit rights were issued to qualified employees while 240 workers were judged ineligible for benefits, primarily because of insufficient earnings in the base year.

The New York region, which showed, in July, the smallest decline in applications from the same month of the previous year, recorded, in August, the greatest decline from August 1941. Other large decreases occurred in the West and on the Pacific Coast. On the other hand, no decline was noted for the Minneapolis region, where outdoor maintenance reaches its peak in July and falls off sharply thereafter. The northwestern region of the Interstate Commerce Commission, in which the Minneapolis region lies, showed declines on some railroads of 1,400 maintenance-of-way employees and 900 other employees. It is likely that many of the workers who were laid off in the Minneapolis region applied for certificates of benefit rights.

Accounts opened and closed.—Unemployment insurance accounts were opened for 3,300 workers in August. A small number, on which adjudication was delayed, were for the 1941-42 benefit year. Accounts of 44 workers for the 1941-42 benefit year were exhausted during the month.

Benefit certifications.—In August, 10,300 benefit payments, totaling \$218,000, were made to unemployed railroad workers (table 1). There were increases over July of 41 percent and 46 percent, respectively, in the number and amount of benefits. The fact that a larger-than-usual proportion of claims received in July were certified for payment in August accounted for part of the increase. Although part of the claims received in July were processed in the first half of August, the number of benefit payments was larger in the second half. This occurrence is the forerunner of the usual heavy fall and winter increase in the volume of unemployment insurance. That there was an influx of maintenance-of-way employees on

the rolls toward the end of the month is indicated by the sharp reduction in the average daily benefit rate for initial payments, which fell from \$2.84 in the third week to \$2.46 for the last few days.

Increases from the July level in the number of benefit payments varied from 6 percent for the Denver region to 155 percent for the Dallas region. The Cleveland, Chicago, Kansas City, and Atlanta regions recorded increases of 30-50 percent.

In the first 2 weeks of the month the average payment for initial periods of unemployment was substantially higher than the average for the whole month; in the last 2 weeks the average declined sharply. In the last few days of the month the average initial payment was \$14.24, while the average for the whole month was \$16.23. This decline also was due to increased unemployment among maintenance-of-way and other low-paid workers.

The average of subsequent benefit payments made in August for the current year was \$24.02, about \$1.15 lower than for July (table 2). The decline was due primarily to the fact that workers experienced less unemployment within registration periods. There was a general tendency for the average subsequent payment to decline during the month: in the last few days of the month it was \$1.55 lower than in the second week, primarily because of the change in types of workers on the unemployment insurance rolls. The average daily benefit rate fell from \$2.91 in July to \$2.80 in August.

Employment service.—Placement operations during August continued to reflect the heightened activity of the employment service. Notices of 14,500 openings were received, of which 14,300 were with railroad employers; but 2,900 previously

Table 1.—Railroad unemployment insurance: Applications for certificate of benefit rights received, claims received, and benefit payments certified, by specified period, 1941-42

[Corrected through August 1942]

Period	1942-43				1941-42			
	Applications ¹	Claims	Benefit payments ²		Applications ¹	Claims	Benefit payments ²	
			Number	Amount			Number	Amount
July-August.....	9,680	23,541	17,531	\$366,998	23,308	61,436	46,368	\$904,837
August.....	3,213	12,407	10,268	217,542	5,720	33,169	26,157	550,247
Aug. 1-15.....	1,775	6,150	4,930	103,240	3,377	17,154	13,899	286,912
Aug. 16-31.....	1,438	6,257	5,338	114,302	2,343	16,015	12,258	263,335
Weekly averages:								
July.....	1,452	2,499	1,630	33,551	4,031	6,478	4,632	81,260
August.....	752	2,904	2,403	50,914	1,339	7,763	6,122	128,781

¹ For current benefit year only.

² Net figures, adjusted for underpayments and recovery of overpayments.

Table 2.—Railroad unemployment insurance: Number of benefit certifications, average benefit, and average number of compensable days in benefit year 1942-43, by specified period, July-August 1942¹

[Corrected through August 1942]

Type of certification and period	All certifications			Certifications with 14 days of unemployment			Certifications with 8-13 days of unemployment			Certifications with 5-7 days of unemployment			
	Number	Average benefit payment	Average daily benefit	Average number of compensable days	Percent of all certifications	Average benefit payment	Average daily benefit	Percent of all certifications	Average benefit payment	Average daily benefit	Percent of all certifications	Average benefit payment	Average daily benefit
Certifications for first registration period:²													
July 1-31, 1942	2,457	\$16.59	\$2.82	5.88	66.7	\$19.95	\$2.85	33.3	\$9.87	\$2.82	3.65	-----	-----
Aug. 1-31, 1942	3,262	16.23	2.80	5.80	64.6	19.56	2.79	35.4	10.16	2.82	3.60	-----	-----
Certifications for subsequent registration periods:³													
July 1-31, 1942	351	25.16	2.77	9.08	77.2	27.77	2.77	19.7	17.98	2.74	6.57	3.1	\$6.00
Aug. 1-31, 1942	6,716	24.02	2.80	8.57	69.0	28.00	2.80	23.0	18.50	2.80	6.61	8.0	5.66

¹ Data based on 33.3-percent sample, except number of certifications and average benefit per certification.

² Benefits are payable for each day of unemployment in excess of 7 for first registration period and in excess of 4 for subsequent registration periods.

reported openings were canceled chiefly because qualified personnel were not available. Some 19,400 unemployed workers were referred to available vacancies and 12,922—or approximately 3,000 per week—were placed. Of the total placements made, 10,700 were track laborers. Included in the total were 3,100 placements made with the

cooperation of the U. S. Employment Service and Work Projects Administration Division of Reemployment and Training.

Although placements were reported throughout the country, the greatest activity continued to be concentrated in the Chicago, Kansas City, and Dallas regions.

OLD-AGE AND SURVIVORS INSURANCE

BUREAU OF OLD-AGE AND SURVIVORS INSURANCE • ANALYSIS DIVISION

Operations Under the Social Security Act

Monthly Benefits in Force and Payments Certified, July 1942

The number of monthly benefits in force (table 1) increased during July by 17,900, which exceeded the increase in June but was somewhat less than the average monthly increase of 18,600 during the 12 months ended June 30, 1942. The number of new benefits awarded in July was less than the average during the preceding 12 months, though only awards of primary benefits decreased significantly in number, while for each type of survivors' benefits there was an increase in number of awards. Terminations of entitlement were slightly fewer than in June, but considerably more than the 12-month average.

While the number of awards or terminations recorded in an individual month may be affected by irregularities in the flow of administrative processes or by other temporary conditions, these

Table 2.—Average amount of monthly benefits in force,¹ by type of benefit and payment status, July 31, 1942²

[Corrected to Sept. 16, 1942]

Type of benefit	Total in force	Payment status			
		Current	Deferred	Conditional	
				Suspen-	Frozen
Primary	\$22.86	\$22.91	\$21.75	\$21.48	\$26.36
Wife's	12.17	12.22	11.55	11.23	13.52
Child's	12.18	12.20	11.30	11.76	12.12
Widow's	20.20	20.17	23.84	21.84	21.32
Widow's current	19.52	19.54	18.01	19.57	18.99
Parent's	12.98	12.98	13.25	12.89	0

¹ See footnotes to table 1.

comparisons of July transactions with averages of the previous 12 months are more or less consistent with a definite trend. Primary-benefit awards have tended to decrease slightly as improving employment opportunities and higher

Table 1.—Number and amount of monthly benefits in force¹ in each payment status² and actions effected during the month, by type of benefit, July 1942

[Current month's data corrected to Sept. 16, 1942]

Status of benefit and action	Total		Primary		Wife's		Child's		Widow's		Widow's current		Parent's	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
In force as of June 30, 1942	595,890	\$10,829,913	277,463	\$6,333,159	77,677	\$943,617	155,799	\$1,897,210	21,934	\$443,046	60,507	\$1,180,290	2,510	\$32,591
Current-payment status	529,876	9,554,886	237,459	5,431,459	68,760	\$38,431	147,674	1,803,424	21,694	437,580	51,789	1,011,528	2,500	32,464
Deferred-payment status	3,982	77,354	2,766	60,666	557	6,358	297	3,261	114	2,652	245	4,384	3	33
Conditional-payment status	62,032	1,197,673	37,238	841,034	8,360	98,828	7,828	90,525	126	2,814	8,473	164,378	7	94
Suspensions ³	47,318	876,663	28,539	612,351	6,143	68,945	6,436	73,767	72	1,600	6,121	119,906	7	94
Frozen benefits ⁴	14,714	321,010	8,699	228,683	2,217	29,883	1,392	16,758	54	1,214	2,352	44,472	0	0
Actions during July 1942:														
Benefits awarded	21,879	399,056	8,598	206,537	2,901	36,774	6,494	79,341	1,176	23,675	2,601	51,322	109	1,407
Entitlements terminated ⁵	4,003	70,875	1,337	31,673	602	7,327	1,236	15,735	86	1,687	719	14,147	23	308
Net adjustments ⁶	-23	707	9	375	1	51	-22	275	5	67	-16	-62	0	1
In force as of July 31, 1942	613,743	11,158,801	284,733	6,508,398	79,977	973,115	161,035	1,961,091	23,029	465,101	62,373	1,217,403	2,596	33,698
Current-payment status	543,873	9,818,274	243,376	5,576,537	70,710	863,766	151,211	1,845,192	22,756	458,932	53,237	1,040,323	2,583	33,524
Deferred-payment status	3,624	70,235	2,511	54,621	491	5,669	289	3,266	120	2,861	209	3,765	4	53
Conditional-payment status	66,246	1,270,292	38,846	877,240	8,776	103,680	9,535	112,633	153	3,308	8,927	173,315	9	116
Suspensions ³	51,238	942,951	30,068	645,822	6,537	73,409	8,037	94,482	88	1,922	6,499	127,200	9	116
Frozen benefits ⁴	15,008	327,341	8,778	231,418	2,239	30,271	1,498	18,151	65	1,386	2,428	46,115	0	0

¹ Represents total benefits awarded after adjustment for subsequent changes in number and amount of benefits (see footnote 6) and terminations (see footnote 5), cumulative from January 1940, when monthly benefits were first payable.

² Benefit in current-payment status is subject to no deduction from current month's benefit or only to deduction of fixed amount which is less than current month's benefit; benefit in deferred-payment status is subject to deduction of fixed amount which equals or exceeds current month's benefit; benefit in conditional-payment status is subject to deduction of entire benefit for current and each subsequent month for indefinite period.

³ Represents benefits which have previously been in current or deferred-payment status.

⁴ Represents benefits which have never been in current or deferred-payment status.

⁵ Terminations may be for following reasons: primary benefit—beneficiary's death; wife's benefit—beneficiary's death, death of husband, divorce,

or entitlement of beneficiary to equal or larger primary benefit; child's benefit—beneficiary's death, marriage, adoption, or attainment of age 18; widow's benefit—beneficiary's death, remarriage, or entitlement to equal or larger primary benefit; widow's current benefit or to equal or larger primary benefit, or termination of entitlement of last entitled child; parent's benefit—beneficiary's death, marriage, or entitlement to other equal or larger monthly benefit.

⁶ Adjustments in amount of monthly benefit may result from entitlement of an additional beneficiary or termination of entitlement of an existing beneficiary when maximum provisions of sec. 203 (a) of the 1939 amendments are effective or from termination of entitlement of an existing beneficiary when minimum provision of sec. 203 (b) consequently becomes effective; adjustments in number or amount may also result from actions not otherwise classified.

Table 3.—Monthly benefits and lump-sum death payments certified, by type of payment, July 1942 and cumulative, January-July 1942

Type of payment	July		Total amount certified January-July 1942
	Number of beneficiaries ¹	Amount certified	
		Percentage distribution	
		Beneficiaries	Amount
Monthly benefits ²	551,237	\$10,369,354	100.0
Primary	246,841	5,804,965	44.8
Supplementary	81,865	1,019,096	14.8
Wife's	71,703	905,913	13.0
Child's	10,192	113,183	1.8
Survivor's	222,501	3,545,293	40.4
Widow's	22,787	490,721	4.1
Widow's current	54,282	1,148,087	9.9
Child's	142,840	1,869,002	25.9
Parent's	2,592	37,483	.5
Lump-sum death payments	48,504	1,186,247	
Under 1939 amendments ³	8,376	1,179,484	
Under 1935 act ⁴	128	6,763	
			8,843,503
			8,700,902
			52,601

¹ Differs from number in current-payment status, which takes account of changes in status effective after certification.

² Distribution by type of benefit estimated. Estimates revised February 1942.

³ Includes retroactive payments.

⁴ Represents number of deceased workers on whose wages payments were based.

⁵ Payable with respect to workers who died after Dec. 31, 1939, in cases in which no survivor could be entitled to monthly benefits for month in which worker died.

⁶ Payable with respect to workers who died prior to Jan. 1, 1940.

living costs have increasingly impelled older workers to remain at their jobs. The general trend in awards of survivors' benefits has been and will continue to be upward, since the number of insured persons has been increasing and may be expected to increase for some time to come. In the summer months, when mortality rates are falling, this upward trend is less noticeable than in other months of the year.

The number of terminations has shown little change in recent months, probably because the effect of the seasonal decline in the mortality rate was approximately offset by the increase in the number of benefits in force and exposed to the probability of termination through mortality or other causes.

Monthly benefits in conditional-payment status increased by more than 4,200 during July, and they continued to increase as a proportion of all monthly benefits in force. All but 300 of this increase was in benefits in suspension; frozen benefits continued to decline as a proportion of total benefits in force.

There has been very little change in recent months in the average amount of benefits in force (table 2). Since December 31, 1941, the average

amount of primary benefits in force has increased from \$22.69 to \$22.86, as primary benefits awarded in the first 7 months of 1942 averaged \$23.51. For no other type of monthly benefit has there been a change in average of more than 10 cents over the 7-month period.

During the month, \$11.6 million was certified for payment, including \$10.4 million to 551,000 monthly beneficiaries and \$1.2 million in lump-sum payments to survivors of 8,500 individuals (table 3). Payments to primary beneficiaries constituted 56 percent of all monthly benefits certified.

On the basis of preliminary data for August, it is estimated that \$10.4 million was certified for 560,000 monthly beneficiaries. Of the total amount, about \$5.9 million was certified for 250,000 primary beneficiaries, \$1.0 million for 82,900 supplementary beneficiaries, and \$3.6 million for 227,000 survivors. Approximately \$957,000 was certified in lump-sum death payments based on the wage records of 6,900 deceased wage earners.

Applicants for Account Numbers, April-June 1942

A marked acceleration in the movement of new workers into the labor market from the reservoirs of labor—women, young people, and older persons—is indicated by the data on accounts established during the second quarter of 1942. Women of all ages, men under 20, and men aged 60 and over comprised 83.9 percent—the largest proportion on record for any quarter—of the nearly 2 million applicants for whom accounts were established in the second quarter. These groups ac-

Table 4.—Number of applicants for account numbers in 1940, 1941, and first and second quarters 1942, and estimated number of account-number holders at end of each period

Period	Applicants for account numbers		Estimated number of account-number holders 14 years and over as of end of period ¹	Percent of estimated total population 14 years and over ²
	Total during period	Cumulative total as of end of period		
1940	5,181,709	53,790,199	50,400,000	49.2
1941	6,677,584	60,467,783	56,500,000	54.5
January-March 1942	1,215,917	61,683,700	57,600,000	55.5
April-June 1942	1,983,931	63,667,631	59,400,000	57.1

¹ Estimated by adjusting the cumulative total of accounts established for duplications as well as for death; includes Alaska and Hawaii.

² Population 14 years of age and over estimated by the U. S. Bureau of the Census; includes Alaska and Hawaii.

Table 5.—Distribution of applicants for account numbers by sex, race, and age group, by quarter, January-June 1942

Year and quarter	Total	Sex				Race				Age group			
		Male		Female		White ¹		Negro		Under 20 years		20 years and over ²	
		Number	Percent of total	Number	Percent of total	Number	Percent of total	Number	Percent of total	Number	Percent of total	Number	Percent of total
1940 total.....	5,226,688	3,080,032	58.9	2,146,656	41.1	4,596,351	87.9	630,337	12.1	2,137,542	40.9	3,089,146	59.1
January-March.....	1,125,165	695,279	61.8	429,886	38.2	981,254	87.2	143,911	12.8	321,584	28.6	803,581	71.4
April-June.....	1,133,420	673,716	59.4	459,704	40.6	1,007,271	88.9	126,149	11.1	502,971	44.4	630,449	55.6
July-September.....	1,471,715	852,820	57.9	618,895	42.1	1,287,239	87.5	184,476	12.5	697,724	47.4	773,991	52.6
October-December.....	1,496,388	858,217	57.4	638,171	42.6	1,320,587	88.3	175,801	11.7	615,263	41.1	881,125	58.9
1941 total.....	6,677,584	3,701,467	55.4	2,976,117	44.6	5,890,916	88.2	786,668	11.8	3,174,241	47.5	3,503,343	52.5
January-March.....	1,340,974	830,949	62.0	510,025	38.0	1,166,491	87.0	174,483	13.0	479,266	35.7	861,708	64.3
April-June.....	1,859,862	1,042,505	56.1	817,357	43.9	1,680,426	90.4	179,436	9.6	1,022,740	55.0	837,122	45.0
July-September.....	2,067,425	1,151,152	55.7	916,273	44.3	1,797,941	87.0	260,484	13.0	1,034,988	50.1	1,032,437	49.9
October-December.....	1,409,323	676,861	48.0	732,462	52.0	1,246,058	88.4	163,205	11.6	637,247	45.2	772,076	54.8
1942													
January-March.....	1,215,917	634,255	52.2	581,662	47.8	1,071,400	88.1	144,517	11.9	466,993	38.4	748,924	61.6
April-June.....	1,983,931	1,002,466	50.5	981,465	49.5	1,781,666	89.8	202,265	10.2	1,130,819	57.0	853,112	43.0

¹ Represents all races other than Negro.

² Includes a small number for whom age is not known.

³ Because of recording and tabulating procedures, total differs slightly from corresponding total in table 4.

counted for only 79.3 percent of the total in the second quarter of 1941, and only 74.5 percent in the first quarter of 1942.

The total number of accounts established during April-June 1942 was 6.7 percent greater than the number established in the same quarter last year and 63.2 percent more than the total for the first quarter of 1942. The latter figure represents the largest percentage increase for any 2 consecutive quarters, indicating not only a seasonal difference, but also the increased flow of applications for account numbers. By the end of June, 63.7 million social security accounts had been established (table 4). This number, however, includes some duplicate accounts and accounts of persons who have died; the estimated number of living individuals holding social security account numbers at the end of June is 59.4 million, or 57.1 percent of the estimated population 14 years of age and over. The

corresponding proportion at the end of March 1942 is estimated at 55.5 percent.

The number of accounts established for women in the second quarter of 1942, nearly 1 million, was greater than in any previous quarter. For the first time on record, contrary to the usual seasonal pattern, a second-quarter total for women was nearly as high as that for men. Women comprised only 40.6 percent of all applicants in the second quarter of 1940, 43.9 percent in the second quarter of 1941, and 49.5 percent in the second quarter of 1942 (table 5). Because of the increasing demand for labor and a depletion of the available reserve of men, it is apparent that the absolute as well as the relative number of women applying for account numbers will continue to increase.

The number of both white and Negro applicants increased as compared with the same quarter of

Table 6.—Distribution of account-number applicants under 20 years of age, by sex and age, April-June 1942 and April-June 1941

Age	Total				Male				Female			
	April-June		Percent-age change	April-June		Percent-age change	April-June		April-June		Percent-age change	
Under 20, total.....	1,130,819	1,022,740	+10.6	635,100	620,603	+2.3	495,719	402,137	+23.3			
Under 18, total.....	737,545	529,154	+39.4	452,057	349,919	+29.2	285,488	179,235	+59.3			
Under 15.....	55,901	22,553	+147.9	47,832	20,261	+136.1	8,069	2,292	+252.1			
15.....	110,273	46,152	+138.9	80,237	37,475	+114.1	30,036	8,677	+246.1			
16.....	209,389	174,964	+54.0	162,207	118,627	+36.7	107,182	56,337	+90.3			
17.....	301,982	285,485	+5.8	161,781	173,556	-6.8	140,201	111,929	+25.3			
18.....	260,031	311,316	-16.5	122,990	170,094	-27.7	137,032	141,222	-3.0			
19.....	133,243	182,270	-26.9	60,044	100,590	-40.3	73,199	81,680	-10.4			

Table 7.—Distribution of applicants for account numbers by sex, race, and age group, April-June 1942

Age group	Total			Male			Female		
	Total	White ¹	Negro	Total	White ¹	Negro	Total	White ¹	Negro
Total	1,983,931	1,781,666	202,265	1,002,466	892,453	110,013	981,465	889,213	92,252
Under 15	55,901	48,203	7,698	47,832	40,583	7,249	8,069	7,620	449
15-19	1,074,918	997,258	77,660	587,268	532,251	55,017	487,050	465,007	22,643
20-24	181,556	147,202	34,354	62,383	49,395	12,988	119,173	97,807	21,366
25-29	100,111	79,598	20,513	27,489	22,009	5,480	72,622	57,589	15,033
30-34	105,178	88,857	16,321	35,441	30,490	4,951	69,737	58,367	11,370
35-39	109,889	95,949	13,940	41,266	36,001	5,265	68,623	59,948	8,675
40-44	100,346	89,221	11,125	43,636	38,373	5,263	56,710	50,848	5,862
45-49	84,379	76,420	7,959	41,711	37,158	4,553	42,668	39,262	3,406
50-54	65,004	60,018	4,986	36,879	33,702	3,177	28,125	26,316	1,809
55-59	46,477	43,192	3,285	29,995	27,627	2,368	16,482	15,565	917
60-64	30,901	28,860	2,041	23,017	21,412	1,605	7,884	7,448	436
65-69	17,402	15,958	1,444	14,697	13,430	1,267	2,705	2,528	177
70 and over	11,599	10,827	772	10,679	9,956	723	920	871	49
Unknown	270	103	167	173	66	107	97	37	60

¹ Represents all races other than Negro.

last year—6 percent and 13 percent, respectively. The 202,000 account numbers issued to Negroes represents the largest number of accounts issued to Negroes in any second quarter.

Distribution by age.—Many young men under 20 and older men aged 60 and over are filling the jobs left open by men drawn into the armed services or the new jobs created in war industries.

Nearly three-fifths (57 percent) of all applicants in the second quarter were under age 20; both this proportion and the number of young applicants—

1.1 million—were the largest for any quarter on record. In the second quarter of 1941 this group comprised 55 percent of the total, and in the second quarter of 1940, 44.4 percent. The much smaller increase in the proportion this year, as compared with the increase from 1940 to 1941, is due to the relatively large volume of applications received from women aged 20 and over.

The increase in the number and proportion of applicants under 20 has reflected the unprecedented increase in the number and proportion of

Table 8.—Applications for account numbers, by State, April-June 1942 and April-June 1941

Social Security Board region and State	April-June		Percent- age change	Social Security Board region and State	April-June		Percent- age change
	1942	1941			1942	1941	
Total	1,983,931	1,859,862	+6.7	Region VII—Continued.			
Region I:				South Carolina	23,437	24,328	-3.7
Connecticut	25,231	34,346	-26.5	Tennessee	42,505	47,355	-10.2
Maine	13,707	12,436	+10.2	Region VIII:			
Massachusetts	58,072	58,809	-1.3	Iowa	29,680	27,179	+9.2
New Hampshire	6,230	7,337	-15.1	Minnesota	39,030	29,773	+31.1
Rhode Island	11,977	14,067	-14.9	Nebraska	18,491	13,975	+32.3
Vermont	3,466	4,342	-20.2	North Dakota	4,022	4,691	-14.3
Region II:				South Dakota	7,898	5,166	+52.9
New York	199,951	180,796	+10.6	Region IX:			
Region III:				Arkansas	28,905	21,581	+33.9
Delaware	3,910	3,721	+5.1	Kansas	27,194	20,614	+31.9
New Jersey	59,931	62,428	-4.0	Missouri	59,251	58,074	+2.0
Pennsylvania	158,502	146,503	+8.2	Oklahoma	34,921	21,926	+59.3
Region IV:				Region X:			
District of Columbia	15,378	13,747	+11.9	Louisiana	32,964	28,701	+14.9
Maryland	26,242	28,975	-9.4	New Mexico	7,761	7,017	+10.6
North Carolina	47,671	49,479	-3.7	Texas	115,577	88,706	+30.3
Virginia	39,219	39,696	-1.2	Region XI:			
West Virginia	24,412	25,249	-3.3	Arizona	9,007	6,127	+47.0
Region V:				Colorado	19,681	15,396	+27.8
Kentucky	34,972	33,182	+5.4	Idaho	7,431	5,517	+34.7
Michigan	73,316	74,524	-1.6	Montana	5,591	5,625	-6
Ohio	113,170	130,078	-13.0	Utah	14,523	6,688	+117.2
Region VI:				Wyoming	3,111	2,908	+7.0
Illinois	108,239	131,636	-17.8	Region XII:			
Indiana	54,478	55,867	-2.5	California	112,584	86,418	+30.3
Wisconsin	46,883	39,318	+19.2	Nevada	3,133	1,800	+74.1
Region VII:				Oregon	27,528	19,086	+44.2
Alabama	43,765	43,034	+1.7	Washington	37,810	21,609	+75.0
Florida	31,766	26,697	+19.0	Territories:			
Georgia	39,845	43,685	-8.8	Alaska	747	900	-17.0
Mississippi	24,735	22,462	+10.1	Hawaii	6,081	6,288	-3.3

applicants under age 18. While the total number of applicants under 20 in the second quarter of 1942 increased 10.6 percent over that in the second quarter of 1941, there was an increase of 39.4 percent in applicants under age 18 (table 6). The increase for girls under 18 was more marked than for boys—59.3 percent as compared with 29.2 percent. The lengthened summer school recess in many areas, the relaxation of legal working-age requirements, and the NYA training program were important factors in the increased volume of applications from young persons.

Although the total number of accounts established increased 6.7 percent over the same quarter last year, the number of accounts for persons aged 20–24 and 25–29 decreased by 26.4 percent and 14.2 percent, respectively (table 7). These decreases were due in large part to the fact that most male workers in these age groups now hold account numbers.

Indicative of growing employment opportunities

for older workers is the relatively large number of accounts established for persons aged 60 and over—almost 60,000 in the second quarter of 1942 as compared with only 45,000 in the second quarter of 1941. Accounts established for the group aged 60–64 as well as for those aged 65 and over both increased by about a third as compared with the second quarter of 1941.

Distribution by State.—There was a noticeable difference between the agricultural and industrial States in the number of applications received in the second quarter of 1942 as compared with the same quarter last year. For example, decreases in the number of applicants in Connecticut, Illinois, and Ohio ranged from 13 to 27 percent, while Minnesota, Arkansas, Kansas, and California had increases of at least 30 percent (table 8). Apparently, there were relatively more persons without account numbers in the agricultural States than elsewhere who were entering war industries or other covered employment for the first time.

Operations Under the Railroad Retirement Act *

At the end of August the Board was paying 157,600 annuities and pensions at a total monthly rate of \$10.1 million (table 1). The total net amount certified for payment during August was \$10.8 million, which, after adjustment for a small amount of cancelations and repayments, consisted of the regular monthly checks, \$389,000 in lump-sum death-benefit payments, and the balance in retroactive payments on monthly benefits newly certified or recertified during the month. Total payments for the month were about \$150,000 less than those for July, mainly because of the decline in lump-sum death-benefit payments, although a decrease was registered for each type of benefit.

To date, \$579 million has been paid, of which \$424 million went to employee annuitants, \$137 million to former carrier pensioners, and \$18.2 million to survivors.

Employee annuities.—Annuity applications received in August totaled 1,456, only slightly less than in July but 17 percent less than the number received in August 1941. To date, almost 202,500 valid applications have been filed, of which 163,600 resulted in the certification of an employee annuity, while 16,800 were closed without certifica-

*Prepared by the Office of Director of Research, Railroad Retirement Board, in collaboration with the Bureau of Research and Statistics, Social Security Board.

tion or were settled as claims for survivor benefits. After allowance was made for about 500 claims certified after the close of the accounting period, too late to be added to the annuity rolls as of August 31, 21,500 cases were awaiting adjudication. Only 5,500 of these were active applications, that is, cases in which the applicant had already stopped working and in which the beginning date was less than 30 days in the future.

The slight increase shown in the number of annuities initially certified a month ago did not continue through August, when the number dropped from 1,342 to 1,226. The 164,000 annuities which had been certified by the end of the month averaged \$65.58 a month.

The number of reported deaths of employee annuitants rose to 788 for the month, 119 more than in July. Through August, 36,000 annuities had been terminated by death, or about 22 percent of all certifications.

The decrease in certifications, coupled with the increase in deaths reported, resulted in a net addition of only 393 to the annuities in force at the end of the month, as compared with the increase of 677 registered in July. The 126,800 annuitants on the rolls at the end of August were receiving an average monthly amount of \$65.95.

Pensions.—One new pensioner was added to the rolls in August, but 297 were reported to have died; no additions and 251 deaths were reported in July. Of the 48,600 pensions taken over from the private rolls of employers under the provisions of the act, 27,000 were still in force at the end of August. The average monthly pension in force amounted to \$58.94.

Survivor payments.—Only 43 survivor annuities were certified, compared with 62 in July. Six were terminated by death, leaving 3,100 in force at the end of the month out of 3,400 certified to date. The average monthly payment was \$32.25.

Ninety-eight new death-benefit annuities were certified and sixty-nine terminated. At the end of the month, 617 annuities were in force at an average monthly rate of \$35.84. To date, 6,700 death-benefit annuities have been certified to

eligible survivors of individuals who received or had been entitled to receive employee annuities under the 1935 act.

New certifications of lump-sum death benefits during August totaled 1,316. The average payment was \$304.51, some 7 percent less than the average paid during July but 9 percent more than the average for the fiscal year 1942. Since these benefits are based on the total credited compensation earned by covered individuals since December 31, 1936, the average benefit tends to increase as time elapses. However, a decrease will result in any month when an unusually large proportion of benefits is certified for the beneficiaries of employees who had worked in relatively unremunerative occupations. By the end of August, 57,900 lump-sum death benefits had been certified at an average amount of \$185.92.

Table 1.—Railroad retirement: Number and amount of annuities and pensions in force and net benefit payments certified to the Secretary of the Treasury, by class of payment, August 1942¹

Period and administrative action	Total		Employee annuities		Pensions to former carrier pensioners		Survivor annuities		Death-benefit annuities ²	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
In force as of July 31, 1942.....	157,450	\$10,068,957	126,432	\$8,337,152	27,321	\$1,610,239	3,109	\$100,291	588	\$21,274
During Aug. 1942:										
Initial certifications.....	1,368	84,791	1,226	80,094	1	64	43	1,295	98	3,335
Terminations by death (deduct).....	1,160	72,792	788	52,546	297	17,548	6	197	69	2,500
In force as of Aug. 31, 1942.....	157,608	10,080,568	126,825	8,364,395	27,023	1,592,712	3,143	101,349	617	22,111
Total payments (net).....		\$10,789,767		8,686,682		1,575,654		105,355		33,235

¹ For definitions of classes of payments, see p. 25. Data for initial certifications are for period in which payment was first certified and not for that during which it began to accrue. Data for terminations by death are for period in which notice of death was received and not for period in which beneficiary died. In-force data represent certifications less terminations by death; they are adjusted for recertifications, reinstatements, and terminations for reasons other than death (suspension, return to service, recovery from disability, commutation to lump-sum payment). Certifications are

reported on an accounting-month basis ended on approximately the 20th, terminations are reported through the 10th, and total payments are on calendar-month basis. Cents omitted.

² In a few cases payments are made to more than 1 survivor on account of death of 1 individual; such payments are counted as single items. Terminations include those by death and by expiration of 12-month period for which death-benefit annuities are payable; nearly all terminations are of latter type.

³ Includes \$388,838 for lump-sum death benefits.

SOCIAL AND ECONOMIC DATA

BUREAU OF RESEARCH AND STATISTICS

Social Security and Other Income Payments to Individuals

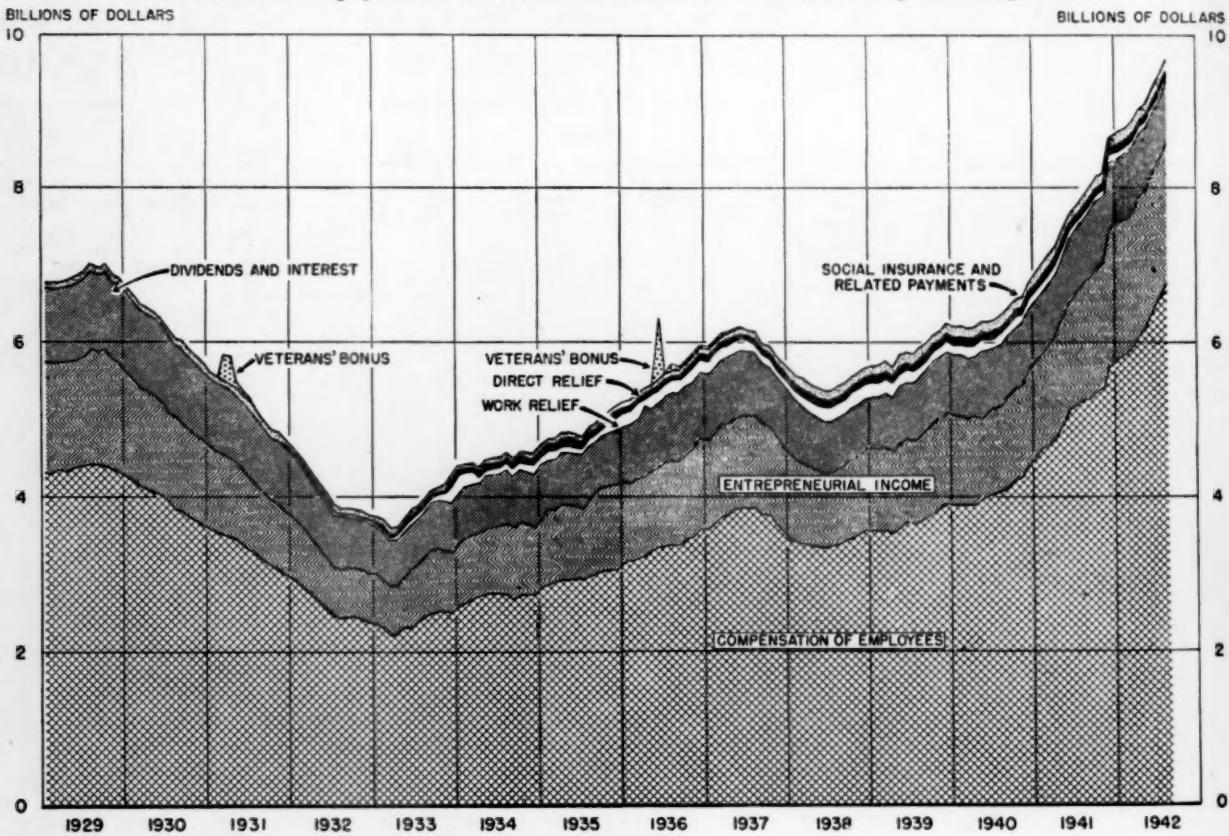
Income payments in August amounted to \$9.7 billion, an increase of 2 percent over July and of 23 percent over August 1941 (table 1). The increase in income payments during the past 2 years has caused growing concern, particularly to those in charge of the war effort. Of primary importance is the widening gap between the disposable income of individuals and the available supply of consumer goods. According to estimates made in the Department of Commerce, disposable income increased from \$88.5 billion in 1941 to a figure approximating an annual rate of \$103 billion in the second quarter of 1942. This increase took place while restrictions were being placed on the production of consumer goods. Increased controls, in the form of wage and price ceilings and increased taxes, will be used to lessen the pressure of disposable income on prices.

Compensation of employees amounted to \$6.8 billion in August, \$1.5 billion more than in August 1941. The importance of this type of payment in relation to the total can be seen from the fact that currently 70 cents out of each dollar of income payment is in the form of compensation of employees. A year ago these payments were received by 51 million employed persons, according to the estimates of the Bureau of the Census, but in August of this year they went to 54 million.

Entrepreneurial income, which had shown very little change for some months, increased 3 percent over July and was 23 percent above August 1941 payments. Dividends and interest continued the decline which has occurred each month this year and were 3.4 percent below the August 1941 figure.

Work relief payments of \$35 million were 56

Chart 1.—*Income payments in the continental United States, January 1929—August 1942*



Source: U. S. Department of Commerce, Bureau of Foreign and Domestic Commerce.

Table 1.—*Income payments in the continental United States, by specified period, 1936–42*¹

[In millions; data corrected to Oct. 6, 1942]

Year and month	Total	Compensa-tion of employees ²	Entrepre-neurial income, net rents, and royalties	Dividends and interest	Work relief ³	Direct relief ⁴	Social insur-ance and related payments ⁵	Veterans' bonus
Calendar year:								
1936	\$68,024	\$40,027	\$13,003	\$0,785	\$2,155	\$672	\$955	\$1,427
1937	72,365	44,689	14,162	9,891	1,639	836	1,020	128
1938	66,135	40,845	12,300	8,233	2,094	1,008	1,529	57
1939	70,809	43,981	13,346	8,891	1,870	1,071	1,616	34
1940	76,404	48,639	13,840	9,421	1,577	1,068	1,801	28
1941	92,122	60,782	17,352	9,910	1,213	1,112	1,734	19
1941								
August	7,882	5,241	1,494	832	80	90	143	2
September	7,994	5,265	1,579	841	79	89	140	1
October	8,130	5,363	1,606	851	80	89	140	1
November	8,196	5,405	1,617	863	79	90	140	2
December	8,066	5,678	1,781	879	87	92	148	1
1942								
January	8,738	5,750	1,784	870	77	94	162	1
February	8,802	5,845	1,762	865	72	95	162	1
March	8,879	5,932	1,753	858	75	94	166	1
April	9,061	6,074	1,815	850	68	92	161	1
May	9,124	6,202	1,779	840	58	89	155	1
June	9,336	6,429	1,781	829	53	87	156	1
July	9,502	6,611	1,781	817	45	86	161	1
August	9,689	6,772	1,835	804	35	86	156	1

¹ Compensation of employees, entrepreneurial income, net rents, and royalties, and dividends and interest adjusted for seasonal variation.

² For annual and monthly figures 1929–40, see the Bulletin, August 1941, table 1, pp. 74–76.

³ Wage and salary payments minus deductions for employee contributions to social insurance and related programs. Includes industrial pensions and payments to members of the armed forces.

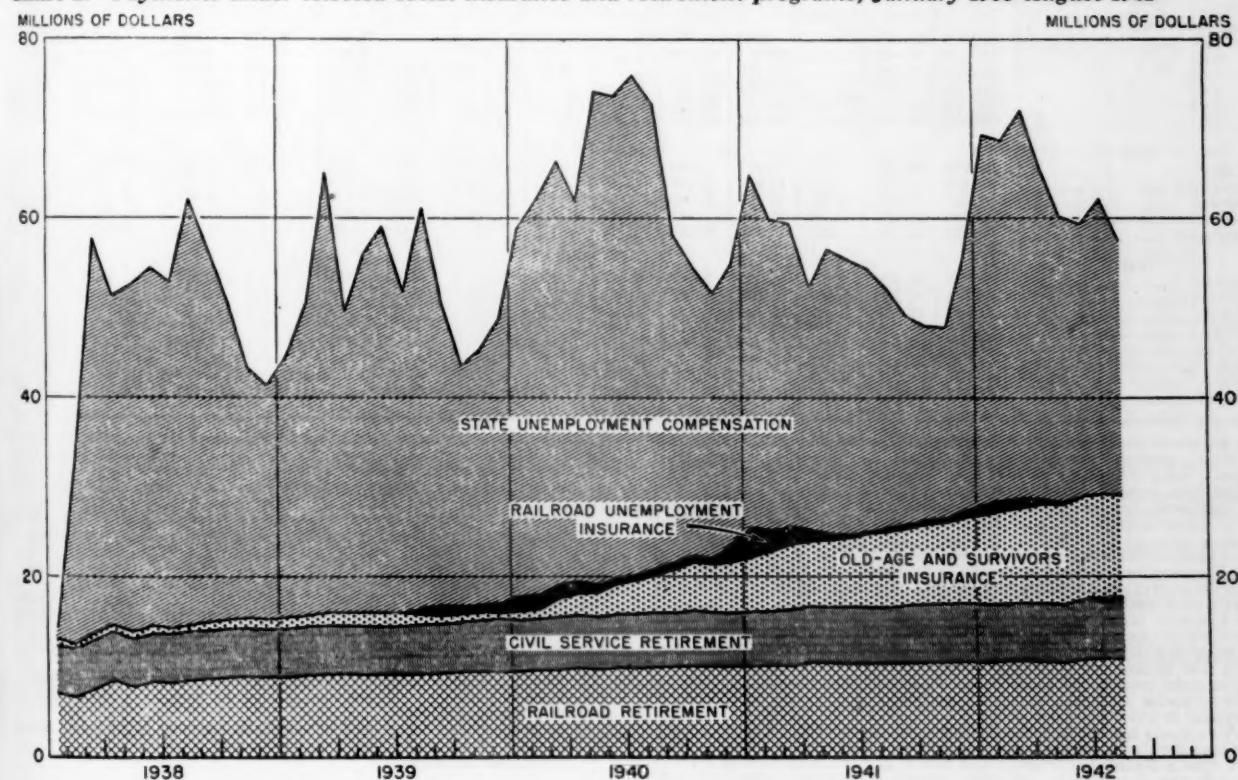
⁴ Earnings of persons employed by the CCC, NYA, and WPA. Excludes earnings of persons employed on other Federal agency projects financed from emergency funds; such earnings are included in the column "Compensation of employees."

⁵ Payments to recipients under the 3 special public assistance programs and general assistance, the value of food stamps issued by the Agricultural Marketing Administration under the food stamp plan, and subsistence payments certified by the Farm Security Administration.

⁶ Represents payments under programs of old-age and survivors insurance, railroad retirement, Federal, State, and local retirement, veterans' pensions, workmen's compensation, State unemployment compensation, and railroad unemployment insurance.

Source: U. S. Department of Commerce, Bureau of Foreign and Domestic Commerce.

Chart 2.—*Payments under selected social insurance and retirement programs, January 1938–August 1942*



percent less than in August 1941, with decreases in all Federal work programs. Direct relief, which amounted to \$86 million, was 4.4 percent less than a year ago. The considerable decrease in general assistance payments was almost offset by the increased payments for the special types of public assistance.

Social insurance payments decreased 3.1 percent from July but were 9.1 percent above payments in August 1941. Increased payments under the Social Security Act and for workmen's compensation accounted for most of the increase over the level of a year ago.

Payments in August under the selected social

insurance programs shown in table 2 amounted to \$57.5 million and represented 37 percent of all social insurance payments in the United States as estimated by the Department of Commerce. Total payments under the three retirement programs and the two unemployment insurance programs were 7.2 percent less than in July but 10.5 percent above August 1941.

Monthly retirement payments under the Civil Service Commission program increased 1.2 percent over July; under the Social Security Act, payments increased 0.7 percent; and a decrease of 0.3 percent occurred in payments under the Railroad Retirement Act. This is the first month that

Table 2.—Payments under selected social insurance and retirement programs, by specified period, 1936–42¹

[In thousands; data corrected to Sept. 30, 1942]

Year and month	Total	Retirement and survivor payments								Unemployment insurance payments				
		Monthly retirement payments ²			Survivor payments									
		Total	Social Security Act ³	Railroad Retirement Act ⁴	Civil Service Commission ⁵	Monthly payments		Lump-sum payments			Refunds under the Civil Service Commission to employees leaving service ⁶	Total	State unemployment compensation laws ⁷	Railroad Unemployment Insurance Act ⁸
						Social Security Act ³	Railroad Retirement Act ⁴	Social Security Act ³	Railroad Retirement Act ⁴	Civil Service Commission ⁵				
Calendar year:														
1936	\$59,372	\$56,377			\$683	\$51,630		\$2			\$4,062	\$2,804	\$131	\$131
1937	105,429	99,818			40,001	53,694		444	\$1,278		4,401	3,479	2,132	2,132
1938	566,752	169,640			96,766	56,118		1,383	10,478	\$291	4,604	3,326	393,786	393,786
1939	625,748	187,837			107,282	58,331		1,451	13,895	1,926	4,952	2,846	435,065	429,298
1940	764,399	226,533	\$21,075	114,166	62,019	\$7,784	1,448	11,734	2,497	5,810	3,277	534,589	518,700	15,889
1941	653,300	280,919	55,141	119,913	64,933	25,454	1,550	13,328	3,421	6,170	4,613	358,856	344,321	14,533
1941														
August	52,065	24,537	4,901	9,999	5,406	2,308	133	1,155	278	357	484	27,044	26,494	550
September	48,915	24,906	5,024	10,081	5,452	2,375	132	986	251	605	455	23,554	22,942	612
October	47,935	25,390	5,235	10,114	5,462	2,498	134	1,100	303	544	484	22,061	21,430	631
November	47,715	25,551	5,383	10,199	5,516	2,579	129	1,029	256	460	489	21,675	21,066	609
December	55,417	26,184	5,611	10,189	5,519	2,736	134	1,131	362	502	460	28,773	27,847	928
1942														
January	69,311	26,374	5,811	10,102	5,557	2,827	128	1,267	258	424	484	42,453	41,056	1,397
February	68,614	26,780	6,074	10,161	5,549	2,997	133	1,291	301	274	622	41,212	39,884	1,328
March	71,085	27,234	6,243	10,223	5,532	3,109	127	1,185	306	509	465	44,286	43,035	1,251
April	65,179	27,700	6,430	10,198	5,572	3,240	128	1,397	238	497	468	37,011	36,311	700
May	60,077	27,540	6,544	10,068	5,594	3,312	125	1,239	256	402	514	32,023	31,704	319
June	59,352	28,353	6,660	10,210	5,637	3,431	141	1,278	449	547	547	30,452	30,226	228
July	62,007	28,677	6,824	10,288	5,677	3,545	140	1,186	514	503	551	32,779	32,625	154
August	57,542	28,622	10,6,873	10,262	5,743	10,3,569	139	10,957	389	690	445	28,475	28,252	222

¹ Payments to individual beneficiaries under programs; data exclude cost of administration. 1941 calendar-year totals represent sum of unrounded figures; hence may differ slightly from sum of rounded amounts. For detailed data, see tables in program sections of the Bulletin.

² Represents old-age retirement benefits under all acts and disability retirement benefits under Railroad Retirement and Civil Service Retirement Acts.

³ Amounts, including retroactive payments, certified to the Secretary of the Treasury for payment; represent primary benefits, wife's benefits, and benefits to children of primary beneficiaries. Distribution by type of benefit partly estimated.

⁴ Amounts, including retroactive payments, certified to the Secretary of the Treasury for payment, minus cancellations, during month ended on 20th calendar day through November 1941; for December 1941, amounts certified from Nov. 21 through Dec. 31; for subsequent months amounts certified during calendar month. Monthly payments to survivors include annuities to widows under joint and survivor elections and 12-month death-benefit annuities to widows and next of kin.

⁵ Principally payments under civil-service retirement and disability fund but includes also payments under Canal Zone retirement and disability fund and Alaska Railroad retirement and disability fund administered by the Civil Service Commission. Monthly retirement payments include accrued

annuities to date of death paid to survivors. Monthly retirement benefits include small amount paid to persons receiving survivor benefits under joint and survivor elections. Data for calendar years 1936–39 estimated on basis of data for fiscal years. For discussion of benefits and beneficiaries under the Civil Service Retirement Act, see the Bulletin, April 1941, pp. 29–42.

⁶ Amounts, including retroactive payments, certified to the Secretary of the Treasury for payment; represent widow's benefits, widow's current benefits, parent's benefits, and orphan's benefits. Distribution by type of benefit partly estimated.

⁷ Amounts certified to the Secretary of the Treasury for payment; represent payments at age 65 for 1937–August 1939, payments with respect to deaths of covered workers prior to Jan. 1, 1940, for entire period, and beginning January 1940, payments with respect to deaths of covered workers after Dec. 31, 1939. Payments at age 65 totaling \$651,000 in 1937, \$4.7 million in 1938, and \$4.6 million in 1939 are not survivor payments.

⁸ Amount of checks issued, reported by State agencies to the Bureau of Employment Security. Annual figures adjusted for voided benefit checks; monthly figures unadjusted.

⁹ Amounts certified by regional offices of the Railroad Retirement Board to disbursing officers of the Treasury in same city.

¹⁰ Preliminary estimate.

payments under the Social Security Act have not increased proportionately more than payments under the other programs—a situation which reflects a retardation in the expansion of the program. Many of the individuals eligible for benefits under the program prefer to continue at work rather than claim benefits, which in most cases would be lower than their present wages. Furthermore, the shortage of skilled labor has undoubtedly caused employers to urge their older employees to stay on the job.

Monthly payments to survivors changed only slightly from the July levels, but were 55 percent above August 1941 payments under the Social Security Act and 5 percent higher under the Railroad Retirement Act. Lump-sum payments to survivors increased under the Civil Service Commission program but decreased under the other two programs.

Unemployment insurance payments under the State programs, amounting to \$28.3 million, were made to approximately 543,000 beneficiaries (table 3). Payments decreased 13.4 percent from July, while the number of beneficiaries decreased only 5.5 percent. Only 8 States paid out more in August than in July, while decreases amounting to 20 percent or more occurred in 27 States.

For the first time this year, unemployment insurance payments under the railroad unemployment insurance program increased, a reflection of seasonal lay-offs in maintenance-of-way work.

Approximately 788,000 individuals received monthly benefits amounting to \$26.6 million, and 9,000 received lump-sum payments amounting to \$2.0 million under the retirement and survivor programs in August. Payments amounting to \$28.5 million were made to 548,000 beneficiaries under the unemployment insurance programs.

Table 3.—Individuals receiving payments under selected social insurance and retirement programs, by month, August 1941-August 1942

[In thousands; data corrected to Sept. 30, 1942]

Year and month	Retirement and survivor beneficiaries								Unemployment insurance beneficiaries					
	Monthly retirement beneficiaries			Survivor beneficiaries					Separated employees receiving refunds under the Civil Service Commission ⁹	State unemployment compensation laws ¹⁰	Railroad Unemployment Insurance Act ¹¹			
	Social Security Act ¹	Railroad Retirement Act ²	Civil Service Commission ³	Monthly beneficiaries		Lump-sum beneficiaries ⁴								
				Social Security Act ⁴	Railroad Retirement Act ⁴	Social Security Act ⁷	Railroad Retirement Act	Civil Service Commission ⁸						
1941														
August	235.9	150.6	67.5	140.5	3.5	8.5	1.1	0.5	3.3	571.9	12.0			
September	244.0	151.3	67.5	146.4	3.6	7.2	1.0	.7	3.0	493.4	13.2			
October	253.4	151.8	67.8	154.0	3.6	8.0	1.1	.6	3.4	430.0	12.9			
November	261.3	152.5	68.4	160.4	3.6	7.5	1.0	.5	4.3	470.6	13.4			
December	271.5	152.9	68.6	168.5	3.6	8.2	1.2	.5	3.5	523.0	22.4			
1942														
January	282.5	152.8	69.3	176.1	3.6	9.1	.9	.5	4.1	706.6	35.1			
February	292.9	153.3	69.1	185.2	3.6	9.3	1.0	.3	4.2	837.6	33.6			
March	301.5	153.5	69.2	192.3	3.6	8.6	1.0	.6	4.2	803.1	29.2			
April	310.6	153.8	69.3	200.8	3.6	10.1	1.0	.6	4.3	668.3	16.9			
May	316.8	153.4	69.7	207.9	3.6	9.0	.8	.5	4.9	600.7	7.2			
June	322.3	153.3	70.0	215.3	3.6	9.2	1.4	.6	5.1	552.7	4.7			
July	328.7	153.8	70.4	222.5	3.7	8.5	1.3	.5	5.5	574.9	3.3			
August	333.2	153.8	70.9	226.7	3.8	11.6	1.3	.8	4.8	543.0	4.6			

¹ Primary beneficiaries and their wives and children, for whom monthly benefits were certified to the Secretary of the Treasury during month.

² Employee annuitants and pensioners on roll as of 20th of month; includes disability annuitants.

³ Annuitants under Civil Service, Canal Zone, and Alaska Railroad Retirement Acts; represents age and disability retirements, voluntary and involuntary retirements. Includes persons receiving survivor benefits under joint and survivor elections, numbering 59 in August 1942. Figures not adjusted for suspension of annuities of persons reemployed under the National Defense Act of June 28, 1940, numbering 870 in August 1942.

⁴ Widows, parents, and orphans for whom monthly benefits were certified to the Secretary of the Treasury during month.

⁵ Widows receiving survivor benefits under joint and survivor elections and next of kin receiving death-benefit annuities for 12 months; number on roll as of 20th of month. Widows receiving both survivor and death-benefit

annuities are counted twice, but 2 or more individuals sharing 1 death-benefit annuity are counted as 1.

⁶ Number of deceased wage earners with respect to whose wage records payments were made to survivors; for railroad retirement beneficiaries, number certified in month ending on 20th calendar day.

⁷ Represents deceased wage earners whose survivors received payments under either 1935 or 1938 act.

⁸ See footnote 3 for programs covered. Represents employees who died before retirement age and annuitants with unexpended balances whose survivors received payments.

⁹ See footnote 3 for programs covered.

¹⁰ Represents average weekly number of benefit recipients.

¹¹ Represents average number of persons receiving benefits for unemployment during a registration period of 14 consecutive days.

¹² Preliminary estimate.

Financial and Economic Data

Receipts

Social security tax receipts accounted for 17 percent of total Federal receipts during July and August, as compared with 21 percent during the same 2 months of 1941 (table 1). Collections of \$212 million under the Federal Insurance Contributions Act in August represented a new monthly high and exceeded collections in August 1941 by

\$52.2 million (table 2). Collections in July and August combined amounted to \$261 million—more than in any previous full quarter. These contributions were based mainly on April-June wages and salaries; during this period the Bureau of Labor Statistics unadjusted index of pay rolls in manufacturing industries rose from the March level of 182.9 to 197.7 in June. August receipts

Table 1.—Social security and total Federal receipts, expenditures, and public debt, by specified period, 1936-42

[In millions]

Period	General and special accounts												Public debt						
	Receipts of Federal Government					Expenditures of Federal Government							Trust accounts, etc., ⁷ excess receipts (+) or expenditures (-)	Change in general fund balance	Total	Old-age and survivors insurance trust fund	Unemployment trust fund ⁸	Railroad retirement account	All other
	Total ¹	Social security taxes ²	Railroad retirement and unemployment taxes ³	All other	Total ¹	Under the Social Security Act		Under the Railroad Retirement Board		Transfers to railroad retirement account	All other	Excess receipts (+) or expenditures (-)							
	Total ¹	Social security taxes ²	Railroad retirement and unemployment taxes ³	All other	Total ¹	Administrative expenses and transfers to old-age and survivors insurance trust fund	Net appropriations and grants to States ⁴	Administrative expenses ⁵	Transfers to railroad retirement account	All other	Excess receipts (+) or expenditures (-)								
Fiscal year:																			
1936-37	\$5,294	\$252	(0)	\$5,042	\$8,442	\$183	\$265	\$1	\$7,993	-\$3,140	+\$374	-\$128	\$36,425	\$267	\$312		\$35,846		
1937-38	6,242	604	\$150	5,488	7,626	291	387	3	\$146	6,799	-1,284	+306	-338	37,165	662	872	\$66	35,565	
1938-39	5,668	631	109	4,928	9,210	342	503	3	107	8,255	-3,542	+890	+622	40,440	1,177	1,267	67	37,929	
1939-40	5,925	712	126	5,087	9,537	379	539	8	121	8,490	-3,612	+137	-947	42,968	1,738	1,710	79	39,441	
1940-41	8,269	788	144	7,337	13,372	447	661	7	124	12,133	-5,103	-148	+742	48,961	2,381	2,273	74	44,233	
1941-42	13,668	1,016	178	12,474	33,265	501	809	10	141	31,744	-19,598	-3,506	+358	72,422	3,202	3,139	92	65,960	
2 months ended:																			
August 1940.	933	171	8	754	1,679	99	155	1	46	1,378	-746	+371	+563	43,905	1,728	1,808	85	40,284	
August 1941.	1,009	214	7	788	3,327	102	200	2	46	2,977	-2,318	+598	+240	50,921	2,361	2,479	102	45,979	
August 1942.	1,591	272	13	1,306	10,632	120	257	2	113	10,140	-9,042	-58	+163	81,685	3,197	3,352	184	74,952	
1941																			
August.	554	167	6	381	1,687	43	157	1	1,486	-1,133	-2	+274	50,921	2,361	2,479	102	45,979		
September.	1,136	4	33	1,099	1,875	33	1	1	1,840	-739	-293	-607	51,346	2,556	2,479	91	46,220		
October.	489	48	1	440	2,126	56	43	1	32	1,994	-1,637	-225	+376	53,584	2,546	2,538	112	48,588	
November.	730	175	5	550	2,024	40	166	1	1,817	-1,294	-484	-322	55,040	2,536	2,706	102	49,696		
December.	1,214	6	36	1,172	2,544	33	2	1	2,508	-1,329	-328	+1,241	57,938	2,736	2,732	91	52,379		
1942																			
January.	614	51	1	562	2,664	56	36	1	32	2,539	-2,050	-633	-610	60,012	2,726	2,771	112	54,463	
February.	937	253	4	680	2,808	37	179	1	2,501	-1,871	+114	+612	62,381	2,761	2,923	102	56,595		
March.	3,548	5	44	3,499	3,422	31	1	1	3,389	+126	-234	-69	62,419	2,923	2,910	91	56,495		
April.	732	42	1	680	3,790	49	37	1	3,671	-3,068	-126	-642	64,961	2,913	2,914	112	59,022		
May.	764	213	9	542	4,155	53	201	1	3,900	-3,391	-257	-39	68,571	2,927	3,106	102	62,436		
June.	2,494	5	37	2,452	4,531	11	1	1	4,518	-2,037	-1,635	+179	72,422	3,202	3,139	92	65,989		
July.	794	52	1	741	5,208	79	47	1	113	4,968	-4,413	-4	+296	77,136	3,192	3,162	105	70,587	
August.	797	220	12	565	5,425	41	200	1	5,174	-4,628	-54	-134	81,685	3,197	3,352	184	74,952		

¹ Beginning July 1940, appropriations to old-age and survivors insurance trust fund minus reimbursements to the Treasury for administrative expenses are excluded from net receipts and expenditures of general and special accounts of the Treasury. These net appropriations are included here in both total receipts and expenditures for comparison with previous periods.

² Represents collections under the Federal Insurance Contributions Act and the Federal Unemployment Tax Act.

³ Represents total collections under the Carriers Taxing Act and 10 percent of collections under the Railroad Unemployment Insurance Act (see table 2, footnote 5).

⁴ Excludes public-debt retirement. Based on checks cashed and returned to the Treasury.

⁵ Excludes funds for vocational rehabilitation program of the Office of Education and for disease and sanitation investigations of the Public Health Service (see table 3, footnote 1); prior to Jan. 1, 1942, excludes grants to States for employment service administration under the Wagner-Peyser Act. Such grants are included in "all other"; since Jan. 1, 1942, includes Federal expenditures for operation of employment services in the States. Also ex-

cludes administrative expenses incurred by the Treasury prior to July 1940 in administration of title II of the Social Security Act and the Federal Insurance Contributions Act. Includes expenses incurred by the Social Security Board in administration of the Wagner-Peyser Act, beginning July 1940.

⁶ Includes expenditures for administration of railroad unemployment insurance, amounting to \$500,000 in 1938-39, \$4,987,000 in 1939-40, \$3,397,000 in 1940-41, \$2,506,000 in 1941-42, and \$357,000 for 1942-43; also includes \$6,426,000 expended since April 1941 for acquisition of service and compensation data of railroad workers in accordance with Publ. Res. 102, approved Oct. 9, 1940.

⁷ Includes all trust accounts, increment resulting from reduction in weight of gold dollar, expenditures chargeable against increment on gold (other than retirement of national bank notes), and receipts from seigniorage.

⁸ Beginning July 1939, contains separate book account for railroad unemployment insurance account and for each State employment security agency.

⁹ Less than \$500,000.

¹⁰ Excludes amounts reimbursed to the Treasury for administrative expenses, which were part of transfer.

Source: Compiled from data in the Daily Statement of the U. S. Treasury.

Table 2.—Social insurance taxes under selected programs, by specified period, 1936-42

[In thousands]

Period	Old-age and survivors insurance		Unemployment insurance		
	Federal insurance contributions ¹	Taxes on carriers and their employees ²	State unemployment contributions ³	Federal unemployment taxes ⁴	Railroad unemployment insurance contributions ⁵
Cumulative through August 1942	\$3,691,034	\$700,087	\$4,943,100	\$585,162	\$203,733
Fiscal year:					
1936-37	194,346	345	(8)	7,57,751	-----
1937-38	514,406	150,132	(8)	7,90,104	-----
1938-39	530,358	109,257	803,007	100,869	-----
1939-40	604,694	120,967	853,955	107,523	49,167
1940-41	690,555	136,942	888,450	97,677	68,162
1941-42	895,619	170,012	1,093,901	119,944	84,738
2 months ended:					
August 1940	161,893	7,582	200,121	8,636	1,192
August 1941	204,340	6,509	254,029	9,711	623
August 1942	261,056	12,432	267,323	11,295	1,686
1941					
August	150,525	5,638	107,460	7,477	573
September	3,366	31,111	6,781	910	18,103
October	45,674	1,058	148,239	2,169	86
November	168,458	5,202	119,673	6,808	939
December	4,323	33,866	10,447	1,267	19,209
1942					
January	38,579	1,277	154,912	12,710	107
February	181,446	4,161	122,536	71,269	786
March	2,773	41,574	5,471	1,995	22,351
April	39,173	1,206	122,109	2,853	5
May	203,740	9,023	143,747	9,302	684
June	3,747	35,025	5,955	952	21,845
July	49,371	977	136,883	2,842	87
August	211,685	11,455	130,440	8,452	1,600

¹ Tax effective Jan. 1, 1937, based on wages for employment as defined in Internal Revenue Code (ch. 9, subch. A, sec. 1426), payable by employers and employees.

² Tax effective Mar. 1, 1936, based on wages for employment as defined in Carriers Taxing Act, payable by carriers and employees.

³ Represents contributions plus penalties and interest collected from employers and contributions from employees, deposited in State clearing accounts. For differences in State rates, see p. 47, table 5, footnote 1. Data include contributions based on wages from railroad industry prior to July 1, 1939. Subsequent transfers from State accounts to railroad unemployment insurance account in unemployment trust fund, amounting to \$105,900,769 as of Aug. 31, 1942, are not deducted. Figures reported by State agencies, corrected to Oct. 7, 1942.

⁴ Tax effective Jan. 1, 1936, based on wages for employment as defined in Internal Revenue Code (ch. 9, subch. C, sec. 1607), payable by employers only. Amounts represent Federal tax collections after deduction for amounts paid into State unemployment funds on covered wages.

⁵ Tax effective July 1, 1939, based on wages for employment as defined in Railroad Unemployment Insurance Act, payable by employers only. Computed from data in Daily Statement of the U. S. Treasury. Represents 10 percent which is deposited with the Treasury and appropriated to railroad unemployment insurance administration fund for expenses of the Railroad Retirement Board in administering act, and 90 percent which is deposited in railroad unemployment insurance account in unemployment trust fund and is not included in receipts of general and special accounts of the Treasury. Amounts, therefore, differ from figures on p. 67, table 1, which represent only the 10 percent deposited with the Treasury.

⁶ Florida and Indiana data for August 1942 not available.

⁷ Includes \$40,561,586 subsequently refunded to States which did not collect taxes on 1936 pay rolls and in which employers paid full tax to the Federal Government.

⁸ Not available.

under the Federal Unemployment Tax Act were \$8.5 million; during the first 8 months of the present calendar year, total receipts have been 13 percent above those for the entire year 1941.

Federal receipts other than social security and railroad retirement and unemployment taxes were \$565 million in August, in contrast to \$381 million in August 1941.

Total tax collections under the five selected social insurance programs listed in table 2 amounted to \$364 million. About \$232 million, or 64 percent of this total, was included in the gross receipts of the general and special accounts of the Treasury. The other 36 percent consisted of State unemployment contributions paid to designated State agencies and 90 percent of the railroad unemployment insurance contributions deposited directly in the railroad unemployment insurance

Table 3.—Federal appropriations and expenditures for administrative expenses and grants to States under the Social Security Act, by specified period, 1941-43¹

[In thousands]

Item	Fiscal year 1941-42		Fiscal year 1942-43	
	Appropriations ²	Expenditures through August ³	Appropriations ²	Expenditures through August ³
Total	\$503,829	\$102,487	\$544,688	\$119,916
Administrative expenses				
Federal Security Agency, Social Security Board ⁴	26,129	5,385	27,128	5,363
Department of Labor, Children's Bureau	25,655	4,191	26,642	4,171
Department of Commerce, Bureau of the Census	364	63	376	57
Department of the Treasury ⁵	110	17	110	74
Grants to States	477,700	97,102	517,560	114,552
Federal Security Agency	466,500	95,579	506,360	113,244
Social Security Board	455,500	92,876	495,360	110,000
Old-age assistance	300,000	59,357	329,000	73,154
Aid to dependent children	74,000	14,784	78,000	18,379
Aid to the blind	9,000	1,728	8,710	2,064
Unemployment compensation administration	72,500	7,17,008	79,650	7,16,403
Public Health Service	11,000	2,703	11,000	3,244
Department of Labor, Children's Bureau	11,200	1,523	11,200	1,308
Maternal and child health services	5,820	865	5,820	429
Services for crippled children	3,870	321	3,870	522
Child welfare services	1,510	337	1,510	358

¹ Excludes some funds appropriated and expended under the Social Security Act, because they are not separated from other Federal funds for similar purposes. Such is the case with funds for vocational rehabilitation for which \$112,000 was appropriated for 1941-42 and \$95,120 for 1942-43 for administration in the Office of Education, and \$2,650,000 for 1941-42 and \$2,800,000 for 1942-43 for grants to States. For disease and sanitation investigations of the Public Health Service, appropriations were \$1,742,481 for 1941-42 and \$1,419,680 for 1942-43 in addition to grants to States shown in this table.

² Excludes unexpended balance of appropriations for previous fiscal year. Appropriations for 1941-42 include additional appropriation of \$40,000,000 approved Apr. 28, 1942.

³ Based on checks cashed and returned to the Treasury. Includes expenditures from reappropriated balance of appropriations for previous fiscal year.

⁴ Includes amounts expended by the Board in administration of title II of the act, reimbursed to general fund of the Treasury. Includes amounts for administration of the Wagner-Peyser Act prior to Jan. 1, 1942. See footnote 7.

⁵ Represents amounts expended by the Treasury in administration of title II of the Social Security Act and the Federal Insurance Contributions Act, reimbursed to general fund of the Treasury.

⁶ Not available.

⁷ Prior to Jan. 1, 1942, includes grants certified by the Social Security Board to States for employment service administration to meet requirements of unemployment compensation program, and excludes grants to States for employment service administration under the Wagner-Peyser Act. Since Jan. 1, 1942, includes grants for unemployment compensation administration and Federal expenditures for operation of employment services in the States.

Source: Various Federal appropriation acts (appropriations); Daily Statement of the U. S. Treasury (expenditures).

account. The \$130 million in State unemployment contributions collected in August brought collections for the first 2 months of the July-September quarter to \$267 million.

Production and employment continued to rise in August. The Federal Reserve Board's unadjusted index of industrial production (based on the 1935-39 average) increased 5 points to 186 during the month. Increases occurred in the production of both durable and nondurable goods. The largest increases were in the manufacture of food products and transportation equipment, while steel production fell off 5 points. Increased earnings accompanied the increased production activity in August. According to the Bureau of Labor Statistics, the index of pay rolls in manufacturing rose more than 10 points to 214.4, and the employment index rose 3.1 points to 145.3 (1923-25=100).

Expenditures

Federal expenditures of \$10,633 million during July and August (table 1) were more than three times the 1941 total for those 2 months. Expend-

itures under the Social Security Act and the Railroad Retirement Board accounted for only 4.6 percent of the 1942 total, whereas in these months of 1941 they were 10.5 percent.

Grants to States and administrative expenses under the Social Security Act for the first 2 months of the current fiscal year amounted to \$120 million, \$17.4 million more than in the corresponding period of last year (table 3). Grants to States for old-age assistance and for aid to dependent children showed the largest increases—\$13.8 million and \$3.6 million, respectively.

Federal expenditures, including those from trust accounts, exceeded total receipts in July and August by \$9,100 million. This excess, together with an increase of \$163 million in the general fund balance, occasioned a rise of \$9,263 million in the public debt from June 30 to August 31. Only 3.2 percent of the increase in issues outstanding was absorbed by the two social security trust funds and the railroad retirement account. As of August 31, the combined investments of the three funds, totaling \$6,733 million, comprised 8.3 percent of the interest-bearing public debt.

Table 4.—Status of the old-age and survivors insurance trust fund, by specified period, 1936-42

[In thousands]

Period	Receipts		Expenditures		Assets			
	Transfers and appropriations to trust fund ¹	Interest received ²	Benefit payments ³	Reimbursement for administrative expenses	Net total of Treasury notes and bonds acquired ⁴	Cash with disbursing officer at end of period	Credit of fund account at end of period ⁵	Total assets at end of period
Cumulative through August 1942	\$3,549,816	\$214,176	\$231,763	\$70,417	\$ 3,196,795	\$28,359	\$236,657	\$3,461,811
Fiscal year:								
1936-37	265,000	2,262	37	-----	267,100	73	62	267,235
1937-38	387,000	15,412	5,404	-----	395,200	1,931	113,012	777,243
1938-39	503,000	26,951	13,892	-----	514,900	3,036	66	1,180,302
1939-40	550,000	42,489	15,805	12,288	560,900	6,098	500	1,744,608
1940-41	688,141	55,958	64,342	26,840	642,500	10,778	6,238	2,397,615
1941-42	895,619	71,007	110,281	26,766	821,034	20,384	5,176	3,227,194
2 months ended:								
August 1940	159,477	27	6,682	4,442	-10,000	9,413	155,565	1,893,078
August 1941	204,340	49	15,371	4,483	-20,000	15,400	206,231	2,582,231
August 1942	261,056	97	22,013	4,524	* -4,839	28,359	236,657	3,461,811
1941								
August	159,525	40	7,906	2,201	-10,000	15,400	206,231	2,582,231
September	3,366	81	8,060	2,201	195,400	12,332	7,034	2,575,417
October	45,674	88	8,289	2,210	-10,000	14,040	50,640	2,610,680
November	168,458	113	8,406	2,210	-10,000	15,631	217,005	2,768,637
December	4,323	241	9,070	2,210	200,400	16,530	8,992	2,761,921
1942								
January	38,579	169	9,266	2,142	-10,000	17,260	45,601	2,789,261
February	181,446	190	9,639	2,142	34,334	17,614	180,422	2,950,117
March	2,773	460	10,275	2,142	162,600	17,309	9,289	2,949,932
April	39,173	237	10,376	2,369	-10,000	16,930	46,333	2,976,597
May	203,740	261	10,715	2,369	14,000	16,210	223,969	3,167,514
June	3,747	60,118	10,815	2,369	274,300	20,384	5,176	3,227,194
July	49,371	18	10,989	2,262	-10,000	19,389	52,309	3,263,332
August	211,685	79	11,024	2,262	* 5,161	28,359	236,657	3,461,811

¹ Beginning July 1940, trust fund appropriations equal taxes collected under the Federal Insurance Contributions Act.

² Interest on investments held is credited annually in June; on investments redeemed, in month of redemption.

³ Based on checks cashed and returned to the Treasury.

⁴ Minus figures represent net total of notes redeemed.

⁵ Prior to July 1940, includes balance of appropriation available for transfer.

⁶ Includes \$161,000 accrued interest paid on investments.

Source: Compiled from data in the Daily Statement of the U.S. Treasury.

The computed average rate of interest on the public debt, which determines the interest rate on special obligations issued to the old-age and survivors insurance trust fund and the unemployment trust fund, continued to decline, from 2.249 as of July 31 to 2.210 as of August 31.

Old-Age and Survivors Insurance Trust Fund

Assets of the old-age and survivors insurance trust fund increased \$198 million in August, reflecting the large amount of contributions appropriated (table 4).

During the month, the fund acquired \$25 million of publicly offered Treasury bonds, 1962-67 series, bearing 2½-percent interest—three-eights of 1 percent above the rate at which special obligations could have been issued to the fund. Once before, in May, the fund had acquired bonds in this series. Since the interest on these bonds is payable semi-annually on June 15 and December 15 of each year, the August purchase price included \$161,000 in accrued interest.

The redemption during the month of \$20.0 million in 3-percent old-age reserve account notes reduced the net amount of Government obligations acquired by the fund in August to \$5.2 million. The sum made available by the redemption of these notes was credited to the account of

the disbursing officer, and the \$79,000 interest on the redeemed notes was credited to the fund account.

Benefit checks cashed during August totaled \$11.0 million—only \$34,000 more than in the preceding month, the smallest monthly increase since April 1941.

Railroad Retirement Account

To meet the benefit payments for the month of August, \$11.0 million in Treasury notes was sold. The assets of the account at the end of the month, after the interest on investments had been credited and benefit payments deducted, totaled \$298 million (table 5). Of this amount, \$184 million was invested in 3-percent Treasury notes, \$813,000 was in cash to the credit of the disbursing officer, and \$113 million was in the appropriation account.

Unemployment Trust Fund

Deposits in State accounts in the unemployment trust fund during August amounted to \$216 million and were larger than in any previous month except May 1942 (table 6). Deposits of \$268 million in July and August, consisting primarily of collections with respect to employment in April-June, were 2.1 percent above deposits in

Table 5.—*Status of the railroad retirement account, by specified period, 1936-42*

[In thousands]

Period	Receipts			Transfers from appropriation to trust fund	Benefit payments ¹	Assets at end of period			
	Amount appropriated	Interest received	Total			3-percent Treasury notes	To credit of appropriation ²	To credit of disbursing officer	Total
Cumulative through August 1942	\$854,151	\$11,632	\$865,783	\$751,951	\$567,681	\$184,000	\$113,289	\$813	\$298,102
Fiscal year:									
Through June 1938	146,500	1,411	147,911	146,406	79,849	66,200	234	1,628	68,062
1938-39	118,250	2,202	120,452	107,094	105,774	67,200	13,206	2,334	82,740
1939-40	120,150	2,283	122,433	120,650	113,099	79,400	10,847	1,826	92,973
1940-41	113,600	2,534	116,134	124,350	121,174	74,000	2,503	10,590	87,033
1941-42	140,850	3,143	143,993	140,850	126,244	91,500	1,597	11,686	104,782
1942-43 (through August)	214,801	60	214,861	112,601	21,541	184,000	113,289	813	298,102
1941									
August		25	25	0	10,314	101,850	94,531	10,919	207,299
September		73	73	0	10,421	91,000	94,580	11,371	196,951
October		97	97	31,500	10,506	112,000	63,103	11,350	186,452
November		124	124	0	10,357	101,500	63,128	11,502	176,220
December		156	156	0	10,699	90,500	63,160	12,017	165,677
1942									
January		176	176	31,500	10,485	111,500	31,687	12,181	155,368
February		193	193	0	10,458	101,500	31,702	11,901	145,103
March		215	215	0	10,691	91,000	31,718	11,910	134,628
April		233	233	31,500	10,776	112,000	238	11,846	124,085
May		259	259	0	10,393	101,500	264	12,186	113,950
June		1,591	1,591	0	10,759	91,500	1,597	11,686	104,782
July	214,801	14	214,815	112,601	10,820	195,000	102,239	11,540	308,777
August		46	46	0	10,721	184,000	113,289	813	298,102

¹ Based on checks cashed and returned to the Treasury.

² Represents balances in appropriation and trust fund accounts, including net credit from adjustments such as cancellations and repayments.

³ Appropriation reduced by transfer of \$9 million in October 1940 to prior-

service account for collection of service and compensation data of railroad workers prior to 1937.

Source: Compiled from data in the Daily Statement of the U. S. Treasury.

the first 2 months of the previous quarter. Withdrawals by States for unemployment benefit payments totaled \$29.8 million, the lowest amount withdrawn in any month of 1942 except June. The balances in the State accounts at the end of August totaled \$186 million more than at the end of July and \$796 million more than at the end of August 1941.

Deposits in the railroad unemployment insurance account amounted to \$1.4 million. In addition, \$6.0 million was transferred from the railroad unemployment insurance administration fund to the

insurance account; cumulative transfers of this type totaled \$17.4 million as of August 31.

Assets of the unemployment trust fund increased \$193 million during August, raising the total to \$3,364 million. New investments of \$190 million were acquired, including \$165 million in 2½-percent special certificates of indebtedness and \$25.0 million in publicly offered 2½-percent Treasury bonds, 1962-67 series, on which accrued interest of \$159,000 was paid. The 2½-percent rate on the special certificates is less than that on any securities previously acquired by the fund.

Table 6.—Status of the unemployment trust fund, by specified period, 1936-42¹

[In thousands]

Period	Total assets at end of period	Net total of Treasury certificates and bonds acquired ²	Unexpended balance at end of period	Undistributed interest at end of period ³	State accounts				Railroad unemployment insurance account			
					Deposits	Interest credited	Withdrawals ⁴	Balance at end of period	Deposits	Interest credit-ed	Benefit payments	Balance at end of period ⁴
Cumulative through August 1942	\$3,364,170	*\$3,352,159	\$12,010	\$6	\$4,985,130	\$190,252	\$2,084,795	\$3,090,596	\$183,380	\$8,685	\$41,781	\$273,566
Fiscal year:												
1936-37	312,380	293,386	94	—	291,703	2,737	1,000	312,389	—	—	—	—
1937-38	884,247	559,705	12,247	—	747,660	15,172	190,975	884,247	—	—	—	—
1938-39	1,280,539	395,000	13,539	—	811,251	26,837	441,795	1,280,539	—	—	—	—
1939-40	1,724,862	443,000	14,862	—	859,864	37,524	484,764	1,693,164	44,249	202	14,552	31,669
1940-41	2,283,658	563,000	10,658	—	892,023	45,893	537,343	2,066,737	61,347	3,059	17,784	189,921
1941-42	3,150,103	866,000	11,103	—	1,095,991	61,998	368,070	2,883,654	76,266	5,424	9,072	266,447
2 months ended:												
August 1940	1,817,015	98,000	9,015	20	200,414	—	108,151	1,785,427	1,073	—	1,617	31,569
August 1941	2,488,016	206,000	9,016	7	253,898	—	53,164	2,294,470	561	—	853	193,538
August 1942	3,364,170	* 213,159	12,010	6	267,790	—	60,848	3,090,596	1,518	—	372	273,566
1941												
August	2,488,016	146,000	9,016	7	175,928	—	24,889	2,294,470	516	—	487	193,538
September	2,487,541	0	8,541	—	7,446	55	23,670	2,278,301	16,293	5	596	209,249
October	2,541,283	59,000	3,283	33	73,654	—	16,408	2,332,547	78	—	615	208,703
November	2,712,734	168,000	6,734	33	191,377	—	20,203	2,503,721	845	—	567	208,980
December	2,744,358	26,000	12,358	—	12,026	28,604	28,042	2,516,399	17,288	2,510	820	227,958
1942												
January	2,775,418	39,000	4,418	18	75,307	—	43,104	2,548,602	96	—	1,257	226,797
February	2,939,810	152,000	16,810	37	202,170	—	37,178	2,713,594	707	—	1,326	226,178
March	2,923,153	-13,000	13,153	—	9,130	130	44,660	2,678,188	20,116	11	1,342	244,963
April	2,925,424	4,000	14,424	137	43,160	—	37,130	2,684,221	4	—	903	244,064
May	3,115,015	102,000	9,015	137	219,232	—	32,709	2,870,744	616	—	549	244,131
June	3,150,103	33,000	11,103	—	8,582	33,118	28,790	2,883,654	19,661	2,808	243	266,447
July	3,170,833	23,000	8,833	6	51,883	—	31,030	2,904,487	78	—	187	266,338
August	3,364,170	* 190,159	12,010	6	215,907	—	29,798	3,090,596	1,440	—	185	273,566

¹ Beginning July 1939, contains separate book account for railroad unemployment insurance account, in which are held moneys deposited by the Railroad Retirement Board and from which the Secretary of the Treasury makes benefit payments as certified by the Railroad Retirement Board. Trust fund maintains separate account for each State agency, in which are held all moneys deposited from State unemployment funds and from which State agencies withdraw amounts as required for benefit payments.

² Minus figures represent net total of certificates redeemed.

³ Interest on redeemed Treasury certificates, received by fund at time of

redemption but credited to separate book accounts only in last month of each quarter.

⁴ Includes transfers from State accounts to railroad unemployment insurance account amounting to \$105,901,000.

⁵ Includes transfers from railroad unemployment insurance administration fund amounting to \$17,382,967.

⁶ Includes \$159,000 accrued interest paid on investments.

Source: Compiled from data in the Daily Statement of the U. S. Treasury.

Recent Publications in the Field of Social Security

WAR AND SOCIAL SERVICES

"Alien Enemies and Japanese-Americans: A Problem of Wartime Controls." *Yale Law Journal*, New Haven, Vol. 51, No. 8 (June 1942), pp. 1316-1338. (Comments.)

BUELL, BRADLEY. "Existing Agencies Tool Up." *Survey Midmonthly*, New York, Vol. 78, No. 9 (September 1942), pp. 239-242.

Effect of the war effort on community social work activities.

CANADIAN CONFERENCE ON SOCIAL WORK. *Proceedings... Selected Papers, Eighth Biennial Conference, Montreal, May 4th-7th, 1942*. Montreal: The Conference, 1942. 105 pp.

Twenty-seven papers including Trends in Canadian Social Welfare, by Philip S. Fisher; Welfare Implications of Unemployment Insurance, by Eric Stangroom; National Selective Service, by Paul Goulet; British Social Welfare in Wartime, by Mrs. Arthur Grenfell; Recent Trends—The Church and Social Security, by Rev. Angus de M. Cameron; and Recent Trends in National Health, by Dr. Gordon Bates. Grants for dependents of service men are described in papers by Ruth Harvey and Elsie J. Lawson.

COLTART, M. S. "Rehabilitation of the Physically Handicapped." *Social Work*, London, Vol. 2, No. 5 (July 1942), pp. 196-200.

The British system for training and placing in industry the victims of enemy action, both service and civilian.

COSSENS, M. "The Effect of War-Time Conditions on London Families." *Social Work*, London, Vol. 2, No. 5 (July 1942), pp. 201-207.

An enquiry by organisers of school care committees for the British Federation Conference. Includes recommendations for promoting health and welfare.

DAVENPORT, D. H. "Mobilization of Labor Sources for the Defense Effort." *Public Policy; A Yearbook of the Graduate School of Public Administration, Harvard University, 1942*, pp. 131-151. Cambridge: The School, 1942.

"Economy of Medical Man-Power; The Shakespeare Committee's Reports." *British Medical Journal*, London, Sept. 5, 1942, pp. 287-289.

The text, substantially in full, of the first and second interim reports of the British Medical Personnel (Priority) Committee. Earlier resolutions on the subject are summarized in an appendix.

"Federal Aid for Maternity Care for Wives of Service Men." *Journal of the American Medical Association*, Chicago, Vol. 120, No. 1 (Sept. 5, 1942), pp. 47-48.

Proposed amendment (S. 2738 and H. R. 7503) to title

V of the Social Security Act, to provide extra funds "by reason of conditions arising out of the present war."

FITCH, LYLE C. "The Unemployment Insurance System as a Solution to War and Post-War Problems." *Political Science Quarterly*, New York, Vol. 57, No. 3 (September 1942), pp. 338-352.

Advocates "use of the social security mechanism to link up the war savings tax with post-war benefits, and to make possible the distribution of the latter on a mechanical basis."

HOEHLER, FRED K. "Services for Men in the Armed Forces." *Social Service Review*, Chicago, Vol. 16, No. 3 (September 1942), pp. 389-400.

Impressions of Army welfare services, based on the author's personal inspection as a member of the Joint Army and Navy Committee on Welfare and Recreation. Notes the serviceman's need for economic security and, in certain cases, for social work help in connection with family problems.

HUXLEY, JULIAN. "On Living in a Revolution." *Harper's Magazine*, New York, Vol. 185, No. 1108 (September 1942), pp. 337-347.

A discussion of world trends and the need for "a coherent body of aims and principles." The author declares that, "In general, the motives that have become dominant or are tending to do so are those of social security, health and housing, education and culture, recreation and amenity, and national prestige and military power."

INTERNATIONAL LABOR OFFICE. *Wartime Transference of Labour in Great Britain*. Montreal: The Office, 1942. 163 pp. (Series C, No. 24.)

A thorough analysis, written by Elizabeth Mayer Johnstone, of British methods of transferring labor to war industry. Under the heading "Incentives to Transfer" are such topics as the schedule of reserved occupations, dislocation unemployment, wages, and the weakness of indirect methods of transfer. "Direct Organization of Transference" contains material on employment controls, redistribution of male workers, mobilization and transfer of women, special systems, transfers within particular industries, and temporary transfers. The section on "Special Problems Connected With Labor Transference" deals with financial questions, general welfare arrangements, trade unions, and the problem of guaranteeing future employment. Statistical data have been omitted "for reasons of security."

KEEN, HAROLD. "Rochester, Skippy Smith, and Co." *Survey Graphic*, New York, Vol. 31, No. 9 (September 1942), pp. 379-382 ff.

An account of the Standard Parachute Corporation of San Diego, California, founded and owned by Negroes and employing colored and white labor.

McCALL, CHARLIE C. "The Development of Federal-Municipal Relations Under PWA and the Defense Public Works Program." *American Municipal Law Review*, New York, Vol. 7, No. 1 (April 1942), pp. 35-44.

MUNGER, WILLIAM L. "Stabilization of Labor in War Time." *Michigan Labor and Industry*, Lansing, Vol. 2, No. 2 (August 1942), pp. 4-5.

NEUMANN, FRANZ. *Behemoth; The Structure and Practice of National Socialism*. New York, etc.: Oxford University Press, 1942. 532 pp.

Political and economic patterns in present-day Germany. Includes discussions of the place of labor, labor controls, and unemployment insurance under the Weimar Republic and under Nazism.

PATMAN, WRIGHT. *Handbook for Servicemen and Service-women of World War II and Their Dependents, Including Rights and Benefits of Veterans of World War I and Their Dependents*. Washington: U. S. Government Printing Office, 1942. 74 pp. (77th Cong., 2d sess. H. Doc. 822.)

"Safeguarding Young Workers in Wartime Agriculture; Report of Conference on Supervision and Employment Conditions for Young Workers in Wartime Agriculture, June 18-19, 1942." *The Child*, Washington, Vol. 7, No. 2 (August 1942), pp. 15-20.

SPIEGELMAN, JOSEPH H. "Freedom to Produce; Proposing a Dynamic Post-War Industrial Program." *Harper's Magazine*, New York, Vol. 185, No. 1107 (August 1942), pp. 261-269.

Points out the groups most likely to suffer from reconversion to peacetime conditions. For "individuals whose occupations have been dislocated by the war" the author advocates "re-training and transfer insurance," with eligibility and benefits to "be determined by a division of the Federal Security Agency."

STAINFORTH, SUSAN. "Some Aspects of Casework in Westminster Since the War." *Social Work*, London, Vol. 2, No. 5 (July 1942), pp. 208-213.

STEINBERG, FRITZ. *German Man Power: The Crucial Factor*. Washington: Brookings Institution, 1942. 44 pp. (Pamphlet No. 36.)

An analysis of the German situation with respect to manpower for armament manufacture. Includes data on the contribution of other countries to output in the Reich. Concludes that a time of decreasing production and rising expenditures is at hand.

U. S. CONGRESS. HOUSE. SELECT COMMITTEE INVESTIGATING NATIONAL DEFENSE MIGRATION. *Fifth Interim Report: Recommendations on the Mobilization of Manpower for All-Out War Effort*. Washington: U. S. Government Printing Office, Aug. 10, 1942. 38 pp. (77th Cong., 2d sess. H. Rept. 2396.)

U. S. DEPARTMENT OF AGRICULTURE. *Background of the War Farm Labor Problem*. Prepared by the Bureau of Agricultural Economics and the Farm Security Administration. Washington, May 1942. 183 pp. Processed.

The final section of this report on farm employment presents a study of the farm labor market and of legislative protection for farm workers; it concludes with a brief discussion of old-age and unemployment insurance for farm workers.

U. S. OFFICE OF DEFENSE HEALTH AND WELFARE SERVICES. *The Day-Care Program of the Federal Government*. Washington, July 27, 1942. 5 pp. Processed. *Vocational Guidance for Victory; The Counselor's Wartime Manual. Occupations*. New York, Vol. 21, No. 1 (September 1942), pp. 3-115. Entire issue.

"War and the Increase in Federal Employment." *Monthly Labor Review*, Washington, Vol. 55, No. 2 (August 1942), pp. 217-222.

"Wartime Labor Directives of Manpower Commission." *Monthly Labor Review*, Washington, Vol. 55, No. 2 (August 1942), pp. 223-226.

Summaries of the eight directives issued June 22.

YODER, DALE, and HENEMAN, HERBERT G., JR. "Potential War Workers in an Urban Area." *Monthly Labor Review*, Washington, Vol. 55, No. 2 (August 1942), pp. 203-205.

Data on St. Paul, Minnesota, "indicating the nature and extent of the potential labor reserve that is available for service in special war industries."

GENERAL

"Abraham Epstein—Statesman and Reformer." *Social Security*, New York, Vol. 16, No. 6 (June-August 1942), pp. 1 ff.

A review of the work of the founder and executive secretary of the American Association for Social Security, who died May 2, 1942. The whole number is an "Abraham Epstein Memorial Issue."

AMERICAN ASSOCIATION OF SCHOOLS OF SOCIAL WORK. *Education for the Public Social Services; A Report of the Study Committee*. Chapel Hill, N. C.: University of North Carolina Press, 1942. 324 pp.

Studies the relationship of the professional schools of social work to the personnel requirements of the social security programs. The appendixes give figures on the personnel in each State and describe most of the State and Federal social services which are independent of the Social Security Act.

BRITISH COLUMBIA. DEPARTMENT OF LABOR. *Annual Report for the Year Ended December 31st, 1941*. Victoria, B. C.: King's Printer, 1942. 132 pp.

BROOKINGS INSTITUTION, WASHINGTON, D. C. *Refugee Settlement in the Dominican Republic*. Washington: The Institution, 1942. 410 pp.

The economics of refugee settlement, with an economic survey of the Dominican Republic and a discussion of the possibilities of settlement in that country. Employment, wages, and national income are among the factors analyzed.

BUSTOS A., JULIO. *La Seguridad Social*. Santiago, Chile: Talleres Graficos "La Nacion," 1942. 174 pp.

This official report to the Chilean Government by Dr. Bustos, Chief of the Department of Social Insurance, is similar to Dr. Bustos' earlier volume of the same title, being a study of the Chilean social security institutions and of the bases for their reform. Includes the text of the draft bill for reforming Chilean social insurance now before the National Congress.

DAY, J. P. "The Insecurity of Welfare." *Monetary Times*, Toronto, Vol. 110, No. 7 (Aug. 15, 1942), p. 45.

Affirms the importance of social insurance as an answer to "the clamant need of this generation" for "a reduction in the insecurity of human welfare."

FOONER, MICHAEL. "NLRB Back Pay as a Problem of Administrative Interpretation Under the Social Security Act." *Michigan Law Review*, Ann Arbor, Vol. 41, No. 1 (August 1942), pp. 66-82.

Analyzes legal, administrative, and judicial provisions respecting the question whether "the back pay awarded to a worker pursuant to a reinstatement order of the National Labor Relations Board" shall be deemed "wages" within the meaning of the Social Security Act. Finds that the "weight of argument" and the "national labor and social policy as reflected in the two statutes set side by side" favor making such awards "wages" within the meaning of the Social Security Act.

HERRING, HUBERT. *Good Neighbors; Argentina, Brazil, Chile and Seventeen Other Countries*. New Haven: Yale University Press, 1942. 381 pp.

Includes first-hand information on wages, prices, income levels, social welfare, and labor conditions.

OWEN, EUGENE D. "Sources of Information on Social and Labor Problems in Brazil, Part I." *Bulletin of the Pan American Union*, Washington, Vol. 76, No. 9 (September 1942), pp. 493-497.

U. S. BUREAU OF THE CENSUS. *Financing Federal, State, and Local Governments: 1941*. Washington: The Bureau, 1942. 149 pp. Processed. (State and Local Government, Special Study No. 20, Final.)

Subtitled, an "over-all picture of revenues and expenditures, geographic distribution of State and local revenues, intergovernmental relations in financing government, indexes of economic ability and of fiscal loads, comparisons among years, areas, and funds."

U. S. BUREAU OF HOME ECONOMICS. *Family Expenditures for Education, Reading, Recreation, and Tobacco; Five Regions*. By Day Monroe, Dorothy S. Brady, Maryland Y. Pennell, Miriam H. Coffin. Washington: U. S. Government Printing Office, 1941. 208 pp. (Consumer Purchases Study. U. S. Department of Agriculture, Miscellaneous Publication No. 456.)

U. S. DEPARTMENT OF AGRICULTURE. GRADUATE SCHOOL. *Washington-Field Relationships in the Federal Service*. Washington, 1942. 60 pp. (Public Administration Publications.)

Includes a paper by W. L. Mitchell on field relations in the Social Security Board.

U. S. OFFICE OF EDUCATION and U. S. DIVISION OF LABOR STANDARDS. *The Worker, His Job, and His Government; An Introduction to Federal Labor Laws*. Washington: U. S. Government Printing Office, 1942. 63 pp. (Office of Education, Vocational Division Bulletin No. 220; Defense Training Series No. 1.)

Has chapters on workmen's compensation and security for workers, including unemployment compensation, old-age and survivors insurance, and public assistance.

OLD-AGE AND SURVIVORS INSURANCE

ARGENTINA. CAJA NACIONAL DE JUBILACIONES Y PENSIONES CIVILES. *Memoria Correspondiente al Ejercicio 1941*. Buenos Aires, 1942. 62 pp.

The 1941 report of the Argentine system of public employees' retirement which in January 1941 covered 195,964 persons.

CORSON, JOHN J. "Social Insurance: Its Nature and Characteristics as Exemplified by the Old Age and Survivors Insurance System." *Social Service Review*, Chicago, Vol. 16, No. 3 (September 1942), pp. 401-413.

MCGEE, CUSHMAN. *Investments of Retirement Systems; Policies of Government Investment of Funds by a Retirement System—Methods of Appraising Various Types of Securities—Recommended Program Under Present Conditions*. Chicago: Municipal Finance Officers Association of the United States and Canada, 1942. 9 pp. Processed.

"Railroad Retirement Operations in 1941-42." *Monthly Review of the Railroad Retirement Board*, Chicago, Vol. 3, No. 6 (July 1942), pp. 159-163. Processed.

EMPLOYMENT SECURITY

CHESTER, E. P. "Rehabilitation Clinics in Connecticut." *Public Welfare News*, Chicago, Vol. 10, No. 8 (August 1942), pp. 2-6. Processed.

ILLINOIS. DEPARTMENT OF LABOR. DIVISION OF PLACEMENT AND UNEMPLOYMENT COMPENSATION. *Adequacy of Benefit Duration in Illinois; Second Benefit Year, April 1940-March 1941*. Place not given, August 1942. 14 pp. Processed. (Survey of the Second Benefit Year, Memorandum 4.)

Includes data by age, sex, and color.

ILLINOIS. DEPARTMENT OF LABOR. DIVISION OF PLACEMENT AND UNEMPLOYMENT COMPENSATION. *Weekly Benefit Rates and Duration of Benefits; Second Benefit Year, April 1940-March 1941*. Place not given, July 1942. 17 pp. Processed. (Survey of the Second Benefit Year, Memorandum 3.)

NEVADA. EMPLOYMENT SECURITY DEPARTMENT. *Inter-state Benefit Payments, 1940-1941*. Prepared by Re-

search and Statistics Unit. Carson City, August 1942. 51 pp. Processed.

Tables and text analyzing payments under the Nevada Unemployment Compensation Act to workers who had migrated to other States.

"Unemployment Compensation—Benefits Withheld Because Stoppage of Work Results From Labor Dispute." *University of Chicago Law Review*, Chicago, Vol. 9, No. 4 (June 1942), pp. 751-756. (Recent Cases.)

The Nebraska case of *Magner v. Kinney*, 2 N. W. (2d) 689 (Neb. 1942) is the occasion for a discussion of the question of "stoppage of work" as revealed by decisions of the Illinois Director of Labor in a number of appealed cases.

"Unemployment Insurance, Benefit Year 1941-42." *Monthly Review of the Railroad Retirement Board*, Chicago, Vol. 3, No. 6 (July 1942), pp. 156-158. Processed.

PUBLIC WELFARE AND RELIEF

ALASKA. DEPARTMENT OF PUBLIC WELFARE. *Public Welfare in Alaska*. Juneau, 1941. 12 pp.

CANADA. DEPARTMENT OF FINANCE. *Report on the Administration of Old Age Pensions and Pensions for Blind Persons in Canada, Fiscal Year Ended March 31, 1942*. Ottawa: King's Printer, 1942. 15 pp.

CLARK, WALLACE W. "An Appraisal of ADC in Illinois." Part 2. *Welfare Bulletin* (Illinois State Department of Public Welfare), Springfield, Vol. 33, No. 8 (August 1942), pp. 26-29.

A comparison of recipients and payments under the present program, with the numbers and amounts under the former mothers'-pension system.

DALY, DOROTHY BIRD. *Case Work Practice in Public Assistance Administration*. Chicago: American Public Welfare Association, 1942. 158 pp.

This volume—the outgrowth of an in-service training program of the New York City Department of Public Welfare—deals with eligibility in relation to public assistance, investigation of the application for aid, use of the family budget, continuous investigation of eligibility and the provision of relief and service, the review process, and withdrawal of assistance.

MCCRYSTAL, JAMES L. "Quasi-Contracts—Recovery by Donor of Charitable Relief From Paupers and Their Estates." *Michigan Law Review*, Ann Arbor, Vol. 41, No. 1 (August 1942), pp. 149-156. (Comments.)

McMILLEN, WAYNE. "The American Association of Social Workers and the Future." *Social Service Review*, Chicago, Vol. 16, No. 3 (September 1942), pp. 446-461.

"New York Leads the Way: Social Welfare Department Recommends Abolition of Settlement." *Social Service Review*, Chicago, Vol. 16, No. 3 (September 1942), pp. 520-525.

An editorial to which is appended the text of the report

of the New York State Commissioner of Social Welfare recommending changes in the statutory settlement provisions of the State.

SHEPPARD, VIRGIL. "The Needy Blind." *Public Welfare in Indiana*, Indianapolis, Vol. 52, No. 8 (August 1942), pp. 3 ff.

A review of the Indiana program.

SUNLEY, E. M. *A Survey of Social-Work Agencies in Fairmont, West Virginia*. Morgantown: University of West Virginia, January 1942. 101 pp. (West Virginia University Bulletin, Series 42, No. 7-III. Bulletin No. 3 of the Resources Committee.)

U. S. WORK PROJECTS ADMINISTRATION. *Final Statistical Report of the Federal Emergency Relief Administration*. Washington: U. S. Government Printing Office, 1942. 404 pp.

WASHINGTON. DEPARTMENT OF SOCIAL SECURITY. DIVISION FOR CHILDREN. *Standards for Foster Day Care Homes*. Olympia, 1942. 7 pp. Processed. (Publication No. 6.)

HEALTH AND MEDICAL CARE

EMERSON, RUTH. "In the Interest of Preventing Blindness: Psychological Attitudes of the Visually Handicapped Toward Treatment." *Social Service Review*, Chicago, Vol. 16, No. 3 (September 1942), pp. 477-496.

GOLDNER, WILLIAM. *The Costs of Medical Care in the Agricultural Workers Health and Medical Association*. San Francisco: Agricultural Workers Health and Medical Association, 1941. 104 pp.

MUSTARD, HARRY S. "Need of More Adequate Public Health Programs in the Several States." *American Journal of Public Health*, New York, Vol. 32, No. 9 (September 1942), pp. 957-964.

Suggestions for modifying titles V and VI of the Social Security Act to promote local health service in all communities.

U. S. BUREAU OF LABOR STATISTICS. *Industrial-Injury Statistics by States*. Prepared by the Division of Industrial Accident Statistics. Washington: U. S. Government Printing Office, 1942. 67 pp. (Bulletin No. 700.)

WISCONSIN. STATE DEPARTMENT OF PUBLIC INSTRUCTION. BUREAU FOR HANDICAPPED CHILDREN. *Wisconsin's Program for Crippled Children*, 1941. Madison, 1942. 23 pp. Processed.

WOODBURY, ROBERT MORSE. *Food Consumption and Dietary Surveys in the Americas: Results—Methods. Report Presented by the International Labour Office to the Eleventh Pan American Sanitary Conference Held in Rio de Janeiro, 7 to 18 September 1942*. Montreal: International Labor Office, 1942. 64 pp.

This work "analyses the results of enquiries undertaken in recent years in various American countries into the nutrition standards of the workers and their families and suggests methods by which similar enquiries might be improved."